The China Weekly
REVIEW
密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, AUGUST 27, 1932 VOLUME 61, NUMBER 13

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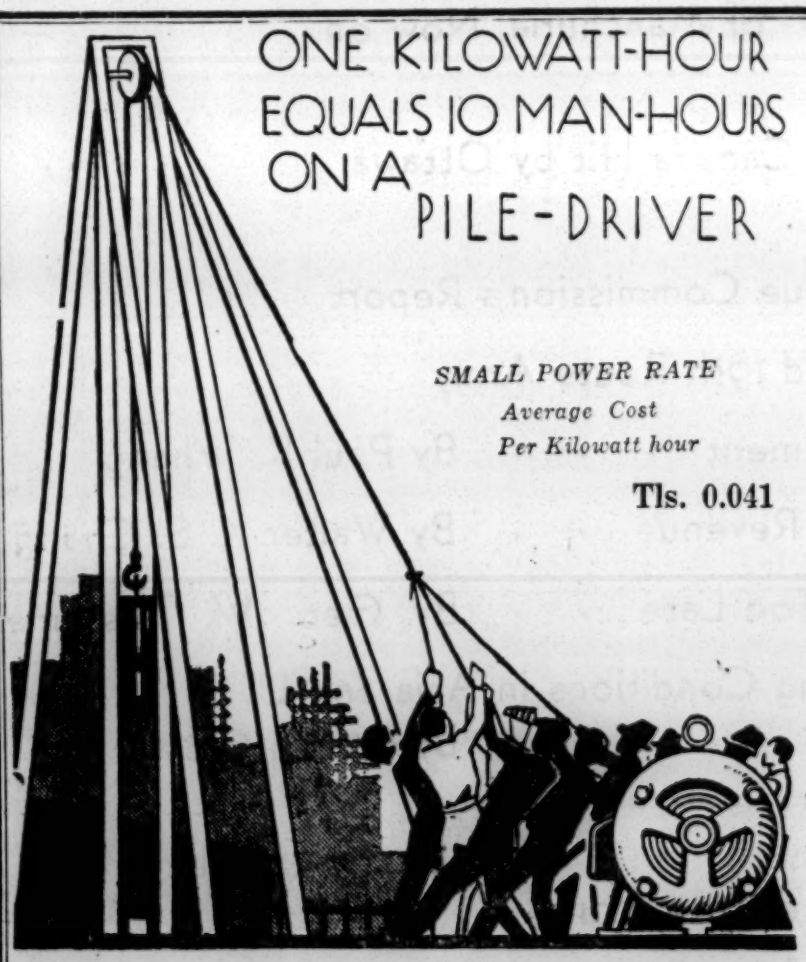

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密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 61 | Shanghai, China, Saturday, August 27, 1932 | Number 13

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 38 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTED IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS" COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

WASHINGTON OFFICE
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THE TRIBULATIONS OF THE SHANGHAI BUS COMPANY

WHEN the history of transportation in Shanghai comes to be written the most interesting chapter will be that concerning the Shanghai bus company, or to give it its official name, the China General Omnibus Co. The older residents of Shanghai will remember the days when there were no street cars or buses in Shanghai. In fact in those early days the facilities for street transportation were so poor that when the first street cars arrived here they were *carried* to the accompaniment of the chant of hundreds of coolies. Give the Chinese coolies enough ropes and bamboo poles and they will carry a locomotive. The introduction of the street cars was not at all profitable at the start. Neither the Chinese public nor the foreigners took kindly to the new mode of transporation during the first few years. The one thing that was noticeable with the introduction of street cars was that pedestrians were killed on a scale never heard of in Shanghai before that. But as time went on the street cars multiplied, the services were extended, fares were increased, and the street car company paid handsome dividends. In due course the bus company came along with quite a splurge. It was going to furnish transportation of a "superior" type, at least it was so announced when it was organized in 1923. Among other things there was going to be a seat for everybody, and the drivers had instructions not to start the car until everybody who was standing got out of the car. Local representatives went to London and ordered a supply of the most expensive type of buses, the prime motive power being the regulation gasoline engine but this was connected to an electric drive, for the purpose of avoiding shock in starting and also for the convenience of the driver. However the demand for this "superior" type of transportation was limited and for the first year at least the patronage was very small. Unlike the street car company, which realizing that the money of the people here is coppers, the bus company tried to get away from them. One of the first innovations was to introduce prettily designed tokens. Pretty soon it was found that the Chinese public was using them mostly as gambling "chips" and they were later abandoned, as was also the rule against standing. It was also found that the expensive gas-electric drive was not appreciated in Shanghai and the later additions to

the bus equipment have plain gasoline engines—no this is not quite correct, the very latest motors are equipped for carburetters to use a sort of fuel oil, quite efficient and cheap, but leaving a trail of black smoke. In the early days the bus company stressed the point that it was not competing with the street car company. In recent years, however, the bus company has very decidedly reversed this policy, and when, about two years ago it introduced a flat fare system and a very cheap one at that the result was that instead of attracting a higher type of passengers than the street car company, it actually catered to a lower type. One can ride first class on a street-car, and in theory one can ride first class on a bus, but in practice one has third class accommodations (the only kind there is). The bus company is to be commended for being pioneers, but it is to be criticized for going ahead, apparently, without any definite plan. Fares have been changed so often that one almost has lost track of them. For a while the fare depended on the time of the day you got on the bus. Just recently a still another innovation was tried. Instead of making the flat fare to cover the full distance, three zones were introduced, two being for half the distance, and the third one a combination of half of the other two. Fares were lowered accordingly. Tickets of three different colors were issued for the three different zones. The change, it would seem, had something to do with the checking up on "squeeze" among the conductors. The introduction of the new system was the signal for a strike. The bus company has had more than its fair share of strikes and has been on each occasion adamant in refusing to compromise with the employees. On the whole it pays its employees well, and one can venture the opinion that the real reason for the strikes is that just as the public has been bewildered by the many changes in fare systems, so have the employees been bewildered with the frequent changes of instructions, with the natural result that they get the idea that the management doesn't know what it is about and therefore decide to take advantage of it. The strike has now come to an end and it is to be hoped that the bus company will now settle down to an era of prosperity—which it deserves. So far it would seem that the public has had little confidence in its shares as an investment. The stock exchange quotations are marked "nominal." It has been many months since any transaction in its shares has been reported.

Death of Ma Fu-hsiang, Veteran Mohammedan

General Ma Fu-hsiang, for a number of years chairman of the Mongolian and Tibetan Affairs Commission, died near Lianghsiang August 19 on his way from Chikungsan, mountain resort near Hankow, to Peiping where he intended to enter the Peiping Medical College Hospital for treatment. General Ma was taken critically ill while directing the bandit suppression campaign with his son in Northern Hupeh. He was being hurried to Peiping when he died aboard the express train near Lianghsiang.

Born at Taoho, Kansu province, 1876, General Ma was appointed a brigadier-general under the Manchu regime at the time of the Boxer troubles. He was appointed chief administrative officer for Kokonor in 1912 and from 1913 to 1915 served as defense commissioner for Altai and Ninghsia areas. General Ma became civil and military governor for Suiyuan in 1920 and since 1927 had served on the Mongolian and Tibetan Affairs Commission.

General Ma was relieved of his post recently, when Shih Ching-yang was appointed his successor.

MARSHAL CHANG REMAINS IN PEIPING FOR THE PRESENT

THE end of the squabble concerning the future of Marshal Chang Hsueh-liang is not yet in sight. Wang Ching-wei and others may consider him a coward for not having stayed in Manchuria to fight the Japanese, but it is evident that many of the generals in North China think very highly of him. Among those who have sent messages to the Central Government urging that Marshal Chang be urged not to resign is the redoubtable hero of Nonni river, General Ma Chan-san, who despite all Japanese reports to the contrary appears to be very much alive. General Han Fu-chu of Shantung, General Ho Cheng of Hupeh, General Liu Chien-nien of Chefoo, and also Mayor Wu Te-chen, of the Municipality of Greater Shanghai, all sent messages to the Marshal not to resign. Altogether 57 northern generals had addressed a joint telegram to the Marshal calling upon him to remain. The signatories pointed out that they had loyally served him and could not afford to lose the man who had been their leader for more than 10 years now that the country is passing through the most difficult crisis in its history. Moreover, they said, it is essential for the maintenance of peace and order in North China that they should all stand together with the Marshal, their Commander. The signatories said they failed to understand why he should be compelled to relinquish office at the present hour of national crisis simply to satisfy internal politics. Accordingly, the joint telegram went on, if Marshal Chang should resign, the whole 57 signatories would promptly resign at the same time. The Japanese telegrams even hint that if the campaign against Marshal Chang is carried too far the northern generals may unite in a "separatist" movement. On top of all this Generalissimo Chiang Kai-shek sent a telegram to Marshal Chang in the latter part of last week asking Chang to remain in Peiping for the present and at any rate until he (Chiang) could come up to Peiping. *Kuo Min* reported that General Chiang Kai-shek had requested Marshal Chang Hsueh-liang to act temporarily for him as Chairman of the Peking branch of the Military Affairs Commission. This request, it was stated, was conveyed to Marshal Chang by Generals Chang Chun and Chiang Po-cheng pursuant to telegraphic instructions from General Chiang Kai-shek.

It would seem, therefore, that the Marshal will continue to remain in Peiping for an indefinite period and in the meantime some of the buildings on the summer palace grounds are being prepared as a residence for him. A telegram from Peiping, August 22 stated that although Marshal Chang Hsueh-liang had consented to remain in Peiping at the behest of Gen. Chiank Kai-shek, he remained firm in his intention to sever his connection with military and political affairs and that so far he had declined to serve on the new branch of the Military Council which had been established. It was believed therefore, that as Gen. Chang would be unable to come to Peiping to inaugurate the Council, Gen. Chiang Po-cheng, his personal agent in Peiping, would probably deputize for him.

Advices from Nanking indicate that even

many of Wang Ching-wei's friends blame him for having precipitated a crisis at this time when the country was on the verge of still another invasion and which has since materialized. The ostensible reason for Wang Ching-wei's attack on the Marshal was that he was asking the Central Government for more money, but so are nearly all the other generals. It is an open secret that there has been a rather cool feeling between President Wang and Marshal Chang for some time. It is recalled that at the first Lusan conference President Wang already then demanded the recall of the Marshal, but nothing was done at the time owing to General Chiang Kai-shek refusing to fall in line with the idea. An almost inevitable result of the Wang-Chang incident will be that General Chiang Kai-shek will considerably extend his influence in North China.

So far as the leaders of the Central Government are concerned there has been all along apparent a general desire to shelve any real action regarding the Wang-Chang controversy or any other important matter until the convening of the next plenary session of the Central Executive Committee which is scheduled to take place next month. A conference of Government leaders was held at Kuling the latter part of last week, among those present being President Wang Ching-wei, Minister of Finance T. V. Soong, Veteran Kuomintang leader Wu Chih-hui, Generals Ho Ying-chin and Chu Pei-te (all these having gone to Kuling from Nanking), General Chiang Kai-shek, who stopped long enough in his bandit-suppression operations in Hankow to fly to Kuling, and President Lin Sen who came over from the temporary capital at Loyang. It was announced when the Kuling conference came to an end August 21 that in response to urgent appeals made to him by many government leaders Wang Ching-wei had agreed temporarily to carry on as president of the Executive Yuan. No definite announcement of the withdrawal of his resignation was made. In the meantime advices from Canton state that the southern faction is discussing the subject of a successor to Wang Ching-wei. The southwest executive committee held a special meeting August 20 to consider the matter. The Canton leaders are suggesting incidental to the calling of the plenary session of the C. E. C. which is to be convened next month that the membership of the Standing Committee of the Central Political Council, which is the highest political organ during the tutelage period, shall be increased from three to five. Another suggestion is that the system of branch Political Councils in various parts of the country, existing before 1930, be restored and revived, as, in view of the extent of the national territory, too much centralization of power is not conducive to efficiency in local government. An important feature of the Kuling Conference was a discussion of steps to be taken in connection with the pressing financial problems which face the National Government. T. V. Soong, Minister of Finance, came down to Shanghai beginning of the week. One of the proposals for raising money that he has in mind putting into force at present is the imposition of a 2½ per cent tax on banknotes issued by foreign-style banks, which step was authorized by the Legislative Yuan a year ago, but held in abeyance owing to opposition from the banks. This opposition, headed by Chang Chia-ngau, head of the Bank of China, is now being renewed. A petition was sent to Mr. Soong during the week to postpone action still further. The tax on the banks is bound up with the plan to abolish the tael. Plans are being pushed forward to start operations in the Central Government mint in Shanghai in the near future. Efforts to secure the necessary cash security for the banknotes to be issued after the abolition of the tael are now being made and it is understood that P. M. Linebarger's visit to Europe and America is being made with the hope of securing a loan for this purpose for the national government.

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An important meeting of the Standing Committee of the Central Executive Committee was held at Nanking August 22. Though the meeting again decided to refuse Wang Ching-wei's resignation from the post of President of the Executive Yuan, it decided "in view of Mr. Wang's pressing political functions" that T. V. Soong, who is at present Vice-President of the Yuan, should be authorised to act on behalf of Mr. Wang. Under this arrangement, Mr. Wang will be relieved from his actual administrative duties and will thus be able to remain in Nanking to take charge of the affairs of the Central Political Council, which is responsible for formulating general Kuomintang and national policies.

U. S. TRADE WITH BRITAIN & CANADA HIT BY OTTAWA CONFERENCE

THE Imperial (British) Conference which had been in session at Ottawa, Canada, for almost a month, came to an end August 20. General satisfaction in British circles both at home and abroad is expressed with the results obtained, with the important exception that the British Labor Party, through its spokesman Mr. Lansbury, has already declared that when the next election comes it would ask that a mandate be given to free the British people from any economic entanglements woven around them at Ottawa. Generally speaking, the object of the Conference, and this result has to a large extent been attained, was to bind the various parts of the British Empire together economically, by giving each component of the Empire preference tariff rates whenever it gave its business to some other part of the Empire. One of the effects will be to still further cut into the trade of the United States with the United Kingdom and Canada—an important matter to the United States, as these two countries are by far America's best customers, the exports to each last year amounting to more than four hundred million gold dollars. Agreements were signed not only between the United Kingdom and various colonies and dominions but there were also many agreements as between the colonies and dominions themselves. Full details of these agreements have not been published. They must, it is to be noted, be ratified by the legislative branches of the various dominions or colonies concerned, and present indications are that the full provisions of the agreements will not be made public until ratification has been effected.

It is understood that each bilateral treaty will contain a clause signifying the intention of the United Kingdom to maintain an all-round Empire preference after November 15, which was the date metioned in the Import Duties Act for its expiration, unless subsequent legislation for its continuance was passed.

One of the notable agreements signed is that between the Irish Free State and the Union of South Africa. The main agreements are those between the United Kingdom and New Zealand, India, Newfoundland, Rhodesia and Canada. Other agreements signed were those between Canada and South Africa, Canada and the Irish Free State, Canada and Rhodesia; and South Africa and New Zealand.

The Anglo-Indian trade agreement provides that Indian goods will receive a preference of 10 per cent. The duties on certain foreign goods will be increased, thus enhancing the Indian preference. The free admission of Indian pig iron and semi-finished steel will be discussed later on in London. Foreign linseed will be taxed 10 per cent., thus giving the preference to Indian linseed. India has given 7½ per cent. preference to certain motor vehicles and on other articles, covered by an agreement, there will be a 10 per cent. preference subject to certain exceptions and reservations. When decisions are reached on the recommendations of the Indian Tariff Board on Textile Industry, a 10 per cent. preference will be extended to cotton and silk goods except artificial silk yarn and articles, on which protective duty may be imposed. It was arranged that the Colonies and protectorates generally extend to India the full benefit of their preferential tariff, and that India grant a preference to staple exports in the Colonial Empire, excluding sugar. The agreement is subject to six months notice.

The Anglo-Canadian agreement continues to give free entry into the United Kingdom for three years of Canadian dairy produce but the United Kingdom may thereafter impose a duty, if the interests of its producers should demand one. The United Kingdom undertakes to impose the following duties: on foreign wheat in grain 2s. a quarter; on butter 15s a hundredweight; on cheese 15 per cent. ad volorem; on raw apples 4s. 6d. a hundredweight; on canned apples 3s. 6d. a hundredweight in addition to the duty in respect of sugar content; eggs in shell from 1s. to 1s. 9d. per great hundred, according to the number of lbs., copper (unwrought) 2d. a lb. The United Kingdom further undertakes that the general ad valorem duty of 10 per cent. shall not be reduced without the consent of Canada on all kinds of timber, fish, asbestos, zinc and lead. The duty on wheat in grain and on copper, zinc and lead may be removed, if the Empire producers are unable or unwilling to offer them on first sale in the United Kingdom at prices not exceeding world prices and in sufficient quantities. Article 21 provides that if the United Kingdom and Canada are satisfied that their mutual preferences may be frustrated through foreign state action as regards any class of commodity they will prohibit the entry of such commodities.

U. S. Asks England for Support Against Japan

The Washington correspondent of the *Baltimore Sun* August 18 gave details with regard to a proposed bargain between the United States and Great Britain by which the latter shall support America regarding Manchuria in return for reductions in the two navies. The correspondent stated that the United States is sending representatives to London in September to discuss naval reduction, but he asserts that they will be given instructions "not to surrender even a single row-boat" unless the United States is assured of British support for the United States' position with regard to Manchuria.

A *Havas* message from London stated that although the reports of a new naval conference had already been denied in the English capital semi-officially, reports from the United States seemed to indicate that such a conference is being discussed and planned for there.

America stands on its position for the non-recognition of any territorial or political acquisitions through treaties extracted by means which violate the letter and spirit of the Kellogg-Briand Peace Pact and the Nine-Power Treaty.

Judging from recent discussions in the British press, a feeling of something akin to sympathy with Manchukuo and Japan's aims and aspirations therein has been clearly discernible and this report in the usually well-informed Baltimore daily is taken (by *Havas*) as an expression of America's intention to seek a way of bringing England over on her side in the ever-sharpening antagonism between the United States and Japan.

America Will Refuse Britain Extension of Credit

Announcement was made in New York Aug. 23 that the remaining $50,000,000 of the $200,000,000 credit granted to the British Treasury last August will not be renewed when it falls due for payment August 27.

Will the Noulens Become "China's Tom Mooney Case"?

AT Nanking the protracted trial of two alleged foreign Communists, Paul and Gertrude Ruegg, alias Noulens, has closed with the judgment of guilty. Sentence of death was pronounced against the defendants last Friday, but was immediately commuted to life imprisonment.

This ends a chapter in a case which has attracted international attention. Widespread publicity has been given to it both in Asia and the West, where leading liberals, intellectuals, scientists and social economists have made a *cause celebre* of the defense. Under these circumstances, the rendering of a judgment cannot be expected to end the well-organized efforts on behalf of the Rueggs. Their case is now historical, joining other significant issues in the world struggle of progressive justice against reaction. They promise to become as serious a boomerang to China as the notorious Tom Mooney case has been in America.

As earlier suggested in the columns of the *Review*, the original error of the Chinese government was perhaps made when the Noulens were brought to trial at all. Clearly deportation would have been the simplest and most graceful way of disposing of a situation so full of international implications and potential embarrassment for the Kuomintang administration. This is the procedure in Western countries, where foreign political offenders are given one-way tickets to their fatherland. A recent case of this nature was the deportation from the United States of a young Chinese Communist.

As it has been handled, however, the Ruegg

episode is creating an odious impression abroad, while locally it has merely furnished one more rallying slogan for the Chinese radicals. It has consolidated liberal forces in Europe and America, the influence of which apparently was much underestimated by the Nanking government; their protests against the treatment given the Rueggs has been continued and vigorous.

The alienation of the sympathies of such men as Senator William E. Borah, chairman of the U. S. Senate Foreign Relations Committee, and Senators William L. Shipstead and Robert La Follette, Jr., is no trivial thing for the Kuomintang, which at present seeks the support of the American government in the Far Eastern imbroglio. Borah, Shipstead and La Follete have joined in requests that the Rueggs be given a fair trial.

In Europe and America eminent men have been tireless in their attempts to bring about the release of the couple. The executive board of the Paul and Gertrude Ruegg International Defense Committee includes Rene Arcos, Henri Barbusse, Victor Margueritte, Henri Poulaille, Romain Rolland, and Leon Werth of France, four members of the British Parliament, and in Germany world renowned individuals like Professor Albert Einstein, Bert Brecht, Lion Feuchtwanger, Professor Alfons Goldschmidt, Ludwig Renn, Count von Schoenhaich, and Paul Wegener. American members are Oswald Garrison Villard, Sinclair Lewis, Theodore Dreiser, John Dos Passos and Floyd Dell, whose books and other writings are read by millions.

The general committee for the Rueggs defense includes virtually all the modern writers of civilized nations of the world, together with a number of leading editors, lecturers, Left politicians, scientists and economists. It may be taken for granted that the apparently irregular judicial procedure which resulted in the conviction of the Rueggs will be used by the International Committee in a manner that ultimately will do far greater harm to the Kuomintang than the Rueggs ever could have done.

Perhaps the most unfortunate circumstance in connection with the case is the impression created that the Chinese have been used by the British reactionaries to achieve ends more important to them than to China. All the evidence in the hands of the Court was produced by the British police of the International Settlement of Shanghai. The Rueggs were arrested in June, 1931, by British sleuths, and the case against them was prepared by intelligence officers who work closely with the imperialists in India and other British colonies in Asia. British police officers were the chief witnesses against the couple during the trial. Reactionary British editors, such as Haward of the *North China Daily News*, and Woodhead of the *Post and Mercury*, have never ceased in their demands for action against these accused, and have exulted at the judgment, an enthusiasm which probably would have waxed even warmer had the Court decided to enforce the death sentence.

Thus, the avowedly anti-imperialist Kuomintang has exposed itself to charges of close liason and cooperation with the very ideas and institutions which it aims to combat. It find itself now in the embarrassing position of being congratulated by its arch-enemies, and being condemned and ridiculed by those formerly its sympathizers.

Recapitulating the case, it appears that the departures from correct judicial procedure are flagrant and numerous enough to give ample grounds for the appeal which the Rueggs have filed for a hearing in the Supreme Court. They were first arrested more than a year ago by British police, after British agents in Singapore had made what were claimed to be important seizures of evidence implicating them as Reds. The British are of course much interested in the case because of the Rueggs' alleged connection with revolutionary plots against their imperialistic authority in India, the Malay States, Burma and elsewhere. Next brought before the Kiangsu High Court, the Rueggs owing to pressure from the militarists, were extradited and turned over to the local garrison headquarters. World protests probably saved them from summary dispatch in a military trial; they were next transferred to Nanking.

From August, 1931, till April, 1932, they were kept in Chinese jails, shifted back and forth between Soochow and Nanking, but never brought to trial. Meanwhile certain "documents" furnished to the Chinese by the British police were published as part of the evidence against the accused, a quite extraordinary procedure. After two months of further procrastination, the Rueggs went on a hunger strike, demanding that they be brought to Shanghai for trial. In the Court here they would be permitted representation by a foreign lawyer; in Nanking they were denied this. But in July the trial eventually began before the Soochow High Court sitting at Nanking, where the Rueggs were finally convicted.

Among those who supported the Rueggs' demand for transfer of their case to Shanghai was the Chinese Bar Association, which incidentally pointed out that from the first the accused had been regarded as criminals whose guilt was established; publication of documentary evidence against them, months before they were brought to trial, was indicative of this attitude. The Supervisory Committee of that Association on July 14 issued a statement clearly showing that the Rueggs had every legal right to demand a trial in the Branch High Court at Shanghai. They were originally arrested in the International Settlement, no *prima facie* evidence was adduced to prove them guilty of crimes outside the Settlement, and hence there was no legal basis for their extradition which ultimately deposited them in Nanking.

The accused do not seem to have been given the full advantage of Chinese law in other respects. British police agents, for instance, were employed during the trial as handwriting experts. The accused were placed at some disadvantage by not being permitted to employ a foreign counsel, with whom they could converse in their own language. They were refused the right to examine the evidence upon which they were convicted. This is irregular, as Article 284, Rules Governing Criminal Procedure states that, "Anything used in evidence shall be exhibited to and examined by the accused who shall be asked to give an explanation with regard thereto."

According to a statement issued by the Paul

and Gertrude Ruegg Shanghai Defense Committee, the Court refused permission for the accused to examine the books and papers allegedly seized at the Rueggs' office by the British police, the keys to strong boxes alleged to belong to them, the official inventories of various searches made, the books and papers allegedly seized in the Rueggs' premises, the bankbooks, contents of safes, contents or list of contents of post office boxes supposedly belonging to the accused, and various other important items. Press dispatches from Nanking stated that when the Rueggs demanded the right to examine this evidence, they were forcibly ejected from the Courtroom. Immediately afterward sentence was pronounced against them on the basis of this evidence, while most of the evidence previously introduced and examined by the accused in a legal way was dropped entirely.

On the basis of these asserted illegalities the Shanghai Defense Committee has announced that it will continue to exert pressure in Shanghai and abroad to secure a re-hearing of the case, or, on the basis of a recent statement by Dr. Lo Wen-kan, Minister of Justice, request the government to pardon and deport the alleged Communists. On the Shanghai Defense Committee, of which Madame Sun Yat-sen is chairman, are listed the following foreigners: George Fitch, secretary of the Foreign Y.M.C.A., T. O. Thackrey, editor of the *Post & Mercury*, Egbert Hayes, secretary of the Chinese Y.M.C.A., Tillman Durdin, news editor of the *China Press*, Hallet Abend, correspondent of the *N. Y. Times*, Edgar Snow, correspondent of the *N. Y. Sun-Consolidated Press Association*, Victor Keen, correspondent of the *N. Y. Herald-Tribune* and Harold Isaacs, editor of the *China Forum*.

Japan Again "Warns" Western World to Keep Hands Off Far East

COUNT Uchida, the Japanese Foreign Minister, at the opening of the extraordinary session of the Diet in Tokyo this week made a lengthy speech and a memorable one. It has been described as a declaration by Japan of an "Oriental Monroe Doctrine" and amounts to a "warning" to Europe and America to keep their hands off the Far East and allow Far Eastern countries, and particularly Japan, to settle their disputes among themselves without any intervention or interference from outside. This is not the first time that this idea has been expressed by Japanese statesmen. That Japan is the most progressive and also the most aggressive among Far Eastern countries will readily be granted by everybody, but whether because of that fact she will make a good leader for the other Far Eastern countries or peoples is a proposition not to be accepted without enquiry.

The position in the Far East has been stated frequently, but will bear repeating, owing to the implications of Count Uchida's speech. When the world was considerably younger than it is at present various European Powers gathered unto themselves colonies and possessions in Asia and particularly in the Far East. On the whole these possessions were acquired without much bloodshed, the notable exception being India, where Lord Clive, by taking advantage of internal dissensions in the country, first helping one side and then the other, eventually was successful in getting the upper hand for Britain. The situation, generally speaking, was that here were large expanses of territory, rich in natural resources which the natives concerned were not developing and whose value they did not appreciate. Strangers from afar therefore came in, quietly took affairs in hand, developed the country, taking huge profits for themselves, but on the whole benefitting the natives of the various regions concerned. Thus we find to-day that Britain has the overlordship of India, the Island of Hongkong, Singapore and the most valuable part of Borneo, the Dutch have Java, Sumatra and other valuable Islands, the French have French Indo-China, the United States has the Philippine Islands; and the Portuguese, who were the pioneers in the Far East, still holding on to the inconsequential city of Macao. As the result also of the Western world's domination China to-day is still saddled with extraterritoriality, as Japan had been up until several decades ago. Thus it will be seen that Western nations have built up a large colonial empire. But there is another nation that also has a colonial empire in this region, not a Western nation, but an aggressive Eastern nation, namely Japan. It has been the irony of fate that the aspirations of Japan to emulate the example of the Western nations in taking unto themselves additional territory have on several occasions been thwarted by those very Western nations. As the result of the Sino-Japanese war, Japan took over the valuable island of Formosa, which comprises the most valuable camphor forests in the world. As the result of that war also Japan took Port Arthur, but was compelled to give it up by the joint pressure of Germany, Russia and France. As the result of the Russo-Japanese war, Japan got Port Arthur back again —also inherited various Russian leases and half of the Island of Saghalin. As the result of the World War, Japan took Kiaochow from the Germans, but was compelled to give it up mainly as a result of pressure from the United States, just as she had two decades previously been forced to give up Port Arthur by Russia, France and Germany. Important to note also, that as a result of the Russo-Japanese War, Japan took over Korea and has since annexed it. Last September Japan invaded Manchuria and shows every intention of annexing that also. That is the situation in reference to which Count Uchida gives notice to the rest of the world—that is what it amounts to—that Japan intends to settle Far Eastern matters without any advice, or help, or intervention, or interference (call it what you will) coming from any Western Power. Count Uchida's appeal is a very clever one. Taking advantage of the undoubted fact that the growing self-consciousness among the people of the various lands still under the domination of an alien flag impels these people to look for a deliverer

from their yoke, Count Uchida makes the appeal to prejudice—the idea presented to them being that Asiatic peoples are quite capable of settling their own problems between themselves without any Western help. Curiously enough, or naturally enough under the circumstances, none of the Eastern peoples concerned is very partial to the Japanese idea, for as a matter of fact Japan, although on several occasions having wrested territory from Western control has not on any occasion shown any intention of giving up such control. The most notable example was, of course, Kiaochow. And now has come the biggest adventure of all—the swallowing of Manchuria. Japan, by every means in its power, is trying to belittle the prestige of all Western nations and trying to impress China with its (Japan's) might, so that in the end the Chinese will succumb and accept the proposition which Japan has been flaunting before the League of Nations and the whole world, namely that the dispute between China and Japan is one that concerns those two countries alone, that Japan wants to settle this dispute with China alone without any intervention from any outside Power, indeed, under no circumstances, intends to have any Western nation have a single word to say on the matter. It is Japan's defi to the world. The question is: Will she be allowed to get away with it?

General Muto, the "Dictator" of Manchuria, Now on the Job

THE Japanese Army is now in complete control of Manchuria. The arrival of General Nobuyoshi Muto, who combines in one person the offices of Garrison Commander of Kwantung, Governor of Kuantung, and Plenipotentiary Extraordinary to Manchukuo, clinches that fact.

Nihon Dempo Photo, reprinted from the North China Daily News, Shanghai.

GENERAL MUTO, SPECIAL ENVOY TO MANCHUKUO

The above picture was taken during the official ceremony of taking over the duties of Special Ambassador to Manchukuo by General Muto, at the offices of the Kuantung Government-General in Tokyo. Mr. Yamaoka who is retiring, is shown with General Muto, who will concurrently hold the post of Governor-General of the Kuantung Leased Territory.

The Japanese name of his office is Tokumei Zenken Taishi which means literally the "Emperor's Own Full-Power Ambassador." In a statement issued at Tokyo, shortly before he proceeded to Changchun (renamed by the Japanese Hsinking, which means the "new capital") General Muto said that he hoped, through the great virtues of the Emperor and with the sincere support of the whole nation, that he would be able to bring the various organs under his supervision into perfect unity and accord so that the important mission with which he is charged might be fulfilled by the close cooperation of these organs.

Let us look once more at the communique which was issued by the Japanese Cabinet concerning the consolidation of the quadruple administration of Manchuria, issued in the latter part of July. The gist of the communique is as follows:

1. The offices of the Commander of the Kuantung Garrison, of the Kuantung Governor-General, and of the Plenipotentiary Extraordinary to Manchukuo are to be assumed by one man.

2. The rules and regulations governing the Kuantung Government shall be preserved in the present form without any special alteration.

3. The Plenipotentiary Extraordinary is under the supervision of the Foreign Minister: he attends to the diplomatic affairs and supervises all the Japanese consulates in Manchuria.

4. The Plenitotentiary Extraordinary is to be accompanied by aides. Government officials when appointed the aides of the Plenipotentiary Extraordinary, can be considered extra members of that office. As regards the salary of the aides, the particulars are to be decided by Imperial Ordinance.

5. The Special Department of the Kuantung Garrison is to be maintained in its present state. The members of the Special Corps can become the aides of the Plenipotentiary Extraordinary at the same time.

6. As regards the education, sanitation, and civil engineering enterprises of the South Manchuria Railway Company, for the time being the company is commissioned to attend to them.

That the new Ambassador will do a thorough job of it may be inferred from the fact that a Tokyo correspondent in giving a sketch of his life said: "The Army is his life; military service of the Emperor his religion." He is hailed by the powerful clique of younger officers now dominant in the Japanese Army as among the highest of military leaders, the ablest exponent of their ambitions to spread the glory of Japanese arms on the neighboring continent. Having the support of this element, he is one of the ruling group, dominating the Japanese political world, which contains Lieutenant-General Sadao Araki, Minister of War; Lieutenant-General Jinzaburo Mazaki, Vice-Chief of the General Staff, and Lieutenant-General Kuniaki Koiso. The last-named, Vice-Minister of War under Araki and considered one of the brainiest of the soldier clan, has gone to Manchuria with General Muto as Chief of Staff of the army there.

From now on the destinies of 30,000,000 Chinese in Manchuria will be in the hands of General Muto, as the direct emissary of the Mikado, alongside the shadowy sovereignty of Henry Puyi, former Emperor of China and now Chief Executive of Manchukuo. He will hold in his hands the power which formerly was wielded by three Japanese agencies in the Manchurian area, namely, the garrison of Kuantung Leased Territory, the civil administration of that territory and the Japanese Consulates of Mukden, Harbin and other cities. The fourth important Japanese agency in Manchuria, the South Manchuria Railway, is to be allowed for the present at least to maintain its separate existence as a purely commercial enterprise. When the Japanese Army went into Mukden it squelched practically all Chinese authority and now General Muto brings all the various Japanese agencies as above mentioned under his direct control. The changes which have sent General Muto to Manchuria merely consolidate what the army under General Shigera Honjo previously had brought about there. When Honjo went to Manchuria, he was merely the commander of a small garrison, about one division strong, but in the meantime he has been brought back to Japan and made a member of the Supreme War Council and otherwise treated as an eminent soldier deserving well of his sovereign.

In his new post General Muto becames Japanese High Commissioner, Resident-General or Protector of the new State of Manchukuo. He is the channel of Japan's "advice" to the Changchun regime and, by that token, director of the new State's foreign relations. General Muto was Inspector-General of Military Education until the Saito Cabinet was formed May 27. He resigned, then, technically assuming responsibility for the share of 11 Army cadets in the assassination of former Premier Inukai and the series of bombings that terrorized Tokyo May 15. There was considerable popular feeling against the terrorists at that time and the Army had to supply a sacrifice. But the role was only temporary, and General Muto's return to high office indicates, as a Tokyo correspondent points out, how lightly the Japanese Army has taken its responsibility for the May terrorism. His subordinates say General Muto never scolds, never indulges in foolish or frivolous talk, and never makes an erroneous or unnecessary statement or report.

General Muto Given Big Send-off at Tokyo

A Tokyo message August 20 stated that the Central Station presented a lively scene that morning when more than a thousand government officials, military officers and representatives of all circles assembled to bid farewell to General Nobuyoshi Muto, the Special Envoy to Manchukuo and concurrently Commander of the Kwantung Army, on the occasion of his leaving for his new post in Manchuria. General Muto was accompanied by a party of seven staff officers, including Lieutenant-General Koiso, Chief of the Staff of the Kwantung Army. Among the well-wishers gathered at the Station were: Premier Viscount Saito, All Ministers of State, the Minister of the Imperial Household Department, Generals Kawai, Watanabe, Minami, Inoue, Hishikari, and Hayashi, and also Admiral Kato.

When General Muto and his party passed through Kyoto Station August 21 a young man in possession of a revolver, and acting suspiciously, was arrested by police in the station premises. He is under police examination suspected of trying to make an attempt on the life of General Muto.

General Honjo Guest at Dinner Party at Mukden

Gen. Honjo, former commander of the Kwantung Garrison, was host at a dinner party at the Yamato Hotel Mukden, August 20, with many Japanese and Manchukuo leaders present. Gen. Honjo will leave Mukden on August 29 for Tokyo via Dairen, to take up the post to which he was recently appointed, namely a member of the Japanese Highest Military Council.

Japanese Emperor Comes to the Relief of the Poor

The Japanese Emperor last week made a grant of Yen 4,800,000 for the relief of the poor, the depressed agricultural and fishery villages, as well as for the promotion of scientific research.

The Ministers for Home Affairs, Overseas Affairs, and Education, were summoned to the Imperial Palace and received the money through the Minister of the Imperial Household Department. Of the total grant Yen 1,200,000 will be given this year and the remaining will be delivered within the following two years. The contribution is distributed as follows: Yen 3,000,000 to the Home Office, Yen 300,000 to the Department for Overseas Affairs, and Yen 1,500,000 to the Department of Education.

Additional U. S. Marines Brought to Shanghai

The U. S. S. *Henderson* which has sailed from the West Coast on its regular trip to the Far East is scheduled to arrive in Shanghai September 18. She carries the usual replacements of marines and navy personnel for the forces stationed in Guam, the Philippine Islands, Shanghai and Peiping. It is understood that many of the marines on board are scheduled for duty in Shanghai to bring the 4th Regiment up to its previous strength. A new billet on Bubbling Well Road, formerly occupied by the 31st Infantry, has been secured to house these men.

Japanese Invade Jehol, Capture Nanling

The long expected invasion by the Japanese forces of the province of Jehol began on the night of August 20, when Japanese troops under the cover of armored cars and trains began to attack the frontier province. According to a dispatch from General Tung Fu-ting, brigade commander under General Tang Yu-lin, chairman of Jehol, the Japanese captured Nanling, a point 30 miles from Chaoyang in Jehol, August 20. The capture of Nanling was preceded by seven Japanese airplanes dropping bombs, resulting in the partial destruction of the railway station and the Chinese post office. General Tung in his report of the Japanese advance appealed frantically for reinforcements stating that, although his small force was putting up a brave resistance, it could do little against the superior Japanese equipment.

A Mukden message of the Japanese *Press Union* August 21 stated that the descent on Nanling occurred through a misunderstanding on the part of the Japanese troops in Jehol, and as it is likely to create unnecessary complications in the locality and also to cause further delay in the release of Mr. Ishimoto from the hands of the Jehol irregulars, the Japanese military authorities ordered the complete withdrawal of troops from Nanling—which was carried out on the following day.

The Chinese telegrams, however, give another complexion to the Japanese withdrawal. According to a *Shun Shih* telegram the advance of the Japanese forces invading Jehol was halted by Chinese volunteers who launched an attack on the Japanese invaders from the rear. An overwhelming force of Chinese volunteers, mobilized from Chuliangtun, Nihotze and Shihfopu, gained control of the Chinchow-Yihsien section of the Chinchow-Chaoyang Railway and engaged the Japanese troops in a severe clash at Chilihotze in Jehol. The clash, it is reported, broke out in the afternoon of August 22 and was still raging when the telegram was despatched.

In a telegraphic order to the Chairman of the Jehol Provincial Government, the Central Government at Nanking on August 23 instructed General Tang Yu-lin to offer armed resistance to the Japanese military invasion of his territory. The present situation was considered at an emergency meeting of the Central Executive Council when it was stated that preparations had been completed for meeting the present crisis. The Military Affairs Commission at Peiping has been given complete control of military matters in north China and is permitted to act without instructions from Nanking. Marshal Chang Hsueh-liang has postponed his vacation and is devoting himself to military affairs, although he is not prepared to take an active part in the campaign. He has requested General Chiang Kai-shek to proceed north to take full charge of military activities. In the meantime, the Nanking Ministry of Foreign Affairs has lodged a formal protest with Tokyo regarding the invasion of Jehol.

Ultimatum Given to Chaoyang Commander

The Japanese gave an ultimatum to the Chinese commander at Chaoyang on August 20 to retire within three days from that city, which is to be made the base of future advances into the heart of the province of Jehol. The ultimatum was delivered in handbills dropped from three Japanese planes flying low which had been dispatched from the Japanese headquarters at Chinchow. A representative of General Li Pao-lien, commander of the Chinese volunteers at Yihsien, who arrived at Shanhaikwan August 21 to report on the situation in Jehol to General Ho Chu-kuo, garrison commander, stated that if immediate reinforcements are not rushed to the assistance of the Chinese Volunteers the whole of Jehol would probably fall into the hands of the Japanese within a few weeks. He said the withdrawal of Marshal Chang Hsueh-liang had greatly discouraged the Volunteers.

Owing to lack of reinforcements, the Chinese Volunteers attacking Chinchow, Lienshan, Kaochiao and Chungtuitse stations on the so-called Mukden-Shanhaikwan Railway effected a general withdrawal latter part of last week to points ten miles from the railway line where they are biding their time. The Japanese have repaired all damaged bridges and tracks, and traffic on the Line has been resumed.

Chinese Volunteers Continue to Damage Railways

The *Kuo Min* news agency chronicles successes by Chinese Volunteers in other areas. The Volunteer Defense Army of eastern Liaoning on August 20 captured Chahokow, 20 miles from Hailung, the junction of the Shenyang (Mukden)-Hailung and Kirin-Hailung Railways on the night of the 18th. Tungfeng, on the Sian-Meihokow branch line of the Shenyang-Hailung Railway, was also taken by 2,000 volunteers. On the 19th, the volunteers established contact with each other from Tungfeng in the west to Liuho in the east and made a joint enveloping movement on the city of Hailung.

Tashihchiao, the junction of the South Manchurian Railway and the Tashihchiao-Yingkow branch railway, had been the scene of severe fighting during the previous week.

After defeating the Japanese garrison units, 500 volunteers occupied Ihsien on the Chinchow-Chaoyang branch railway on August 19.

A locomotive preceding the Mukden express was derailed about 4 p.m. August 21 between Shihkiaotze and Huolienchai on the Mukden-Antung line, due to the fact that part of the track had been removed. Immediately after the accident, numerous "bandits" attacked the locomotive. One Sakai, a Japanese employed by the South Manchuria Railway and two Korean workers were killed with bayonets. A Manchurian engine-driver was wounded seriously.

Traffic on the so-called Mukden-Shanhaikwan Railway was resumed August 20. The train which was recently attacked by volunteers at Paichipao station arrived at Shanhaikwan, with one luggage and one passenger coach considerably damaged. Fearing attacks by the volunteers, the railway staff members and workers of the Mukden-Shanhaikwan Line at Chienwei, Huangti, Paimiaotse, Kacchiao, Yangchuantze, Chingtuitsi, Paichipao and Hsinglungtien stations have fled for safety. These small stations have therefore had to be closed. Japanese armored trains are patrolling the railway.

Japanese Suspicious of General Wang I-teh

A *Rengo* message from Chinchow, August 22 stated that General Wang I-teh, who is in general command of the Chinese volunteer forces outside of the Great Wall, had tendered his submission to the commander of the Japanese garrison there and at the same time pledged his loyalty to Manchukuo. The reason for this sudden change in the attitude of General Wang I-teh is deemed by the Japanese to be uncertain and much doubt concerning his sincerity is being felt on the part of the Japanese.

A *Rengo* message from Mukden, August 23, stated that during the past twenty days the cases of "bandit" attacks at different places along the South Manchuria Railway zone numbered 68. All these attacks were suppressed by the Japanese garrison and police forces on guard duty on the railway, at a cost 18 soldiers killed, 29 soldiers wounded, 4 policemen killed, and 30 policemen wounded. The Japanese say the "bandits" left 1,472 dead bodies when they retreated and the Japanese believe 2,000 of them were wounded.

General Tang Yu-lin Remains Loyal

Arriving at Peiping from Jehol August 17 General Kung Fu-kuei, a subordinate of General Tang Yu-lin, Chairman of the Jehol Provincial Government, emphatically denied in an interview the Japanese report that General Tang has compromised with the Japanese military. General Tang Yu-lin is now an old man of 60, and is resolved to stand or fall with Jehol. With the resignation of General Chang Hsueh-liang, the Jehol chairman is obeying the instructions of the Central Government to preserve the original defence lines. All communications, including the long-distance telephone service, between Peiping and Chengte, provincial capital of Jehol, have now been resumed, the Jehol spokesman said.

Alleged Attempt to Bring in Motorcars Without Paying Duty

A customs scandal involving a local motor-car dealer and the local Japanese Consulate, by which the consulate was instrumental in bringing to China free of customs duty nearly a score of American motor-cars is featured by the *China Press*.

It is alleged that as part of a deal between the Japanese authorities during the recent Sino-Japanese hostilities and a Shanghai motor car agency the Japanese authorities took from stock a certain number of cars and certified for Customs free entry replacements of a much more expensive type, with the result that the motor agency is in difficulties with the Customs authorities.

Japanese League Delegate Paints Rosy Picture of Manchukuo

In his first public speech last week in Osaka after his return from an inspection tour of Manchuria, Yosuke Matsuoka, one of the Japanese delegates at the League Assembly in November, drew a rosy picture of Manchukuo. He has always been optimistic of the future of Manchukuo, he said, and his personal observations have confirmed his optimistic outlook.

The financial standing of the new State is better than the authorities of that Government ever hoped for. Revenue for the present fiscal year is estimated at 80,000,000 yuan, with every prospect of a steady increase to 100,000,000 yuan as the situation is more settled. Manchukuo is an exporting country. The fact that there is an annual excess of exports to the amount of some $100,000,000 portends well for the future finance of the State. Banking is also in a favorable way. Since the Central Bank of Manchukuo was established on July 1st, bank notes have been issued to the amount of about $145,000,000. As the season for the marketing of special products comes round, further improvement will be witnessed. Rich agricultural crops are assured for this year. The floods in North Manchuria have affected arable land comparatively slightly, though the floods themselves are the severest since 1914, and there is a call for the practical expression of Japanese sympathy for the sufferers. No serious apprehension need be entertained as to the relations between the authorities of Manchukuo and Japanese officials.

Order is being steadily restored, Mr. Matsuoka proceeded, so much so that the present situation is comparable to that ruling under the Chang Tso-lin or the Chang Hsueh-liang regime. One noteworthy thing is that Manchukuo keeps about 100,000 troops to undertake the duty of maintaining order. Fears are entertained in some quarters lest there should be an alienation of public sympathy from the Manchukuo Government, but these fears are largely unfounded.

Mr. Matsuoka then went on to emphasize the need of economic unity between Japan and Manchukuo. There is a world-wide tendency now for economic units to be extended. The establishment of economic unity between Japan, an industrial country, and Manchukuo, the supplier of raw materials, is an urgent necessity, he said.

Referring to the question of recognition, the speaker said that recognition is a mere formality. If the League of Nations raises objections in its future councils, they must be to the action Japan has taken since September 18 last year, and not to Japan's recognition of Manchukuo. No matter who represents Japan at the League Assembly, he must do his best to remove the Powers' unaccountable misunderstandings and convince them of the inseparable relations subsisting between Japan and Manchuria historically and geographically.

As quoted by the *Japan Chronicle*, Mr. Matsuoka further said that the help which the Japanese people are giving to Manchukuo, which is justly described as Japan's life-line, can hardly be said to be sufficient. When it is remembered that the inevitable alternative is war, they should not grudge the sum of Yen 200,000,000 or Yen 300,000,000 for investments in that country, if the firm establishment of Manchukuo helps complete Japan's national defence. The Japanese nation must even stake its fate on the support of the new State, he added.

Cholera in Honan Increases—Precautions Against Plague

The *Review's* correspondent at Kaifeng, Honan, Aug. 18, writes that during the past months, cholera has spread rapidly in all parts of Honan province, with the result that thousands of people have lost their lives. However as the result of the precautionary measures which have been taken the general situation appears to have greatly improved.

With a view to combatting the cholera epidemic, the Honan provincial famine relief association is buying flies at the price of one "cash" for one fly. Several days ago, one ounce, numbering about 1,000 flies was bought for 100 coppers. All government officials in Kaifeng have been ordered to be inoculated against plague. Acting on instructions from the Civil Ministry of the province, the local public safety bureau has ordered all restaurants, bakeries, residents, etc., in Kaifeng city to feed more cats with a view to preventing bubonic plague. According to the regulations, recently proclaimed, the big restaurants and bakeries must feed at least four cats; the small ones, at least two; residents are ordered to buy trap mouse traps, besides feeding cats.

Mackay Radio Official Says Agreement Must Stand

After being kept silent for over two weeks, the Mackay radio pact question which formed a subject of heated controversies among high officials of the Ministry of Communications for many days, again came to the news front during the week, when reports from Nanking announced that the Ministry had decided to cancel the contract because of financial difficulties. An official of the Ministry is said to have been appointed to come to Shanghai to open negotiations with the local agents of the Mackay Radio Company for the cancellation of the agreement which the Ministry recently concluded, granting the firm privilege to operate radio communications between China and the United States.

Interviewed by representatives of local press regarding the report, officials of the China Electric Company, Ltd., representative in the Orient for the Mackay interests, declared that they had not been officially advised of the reported action by the Ministry of Communications. J. F. Rhame, general manager of the Company, said that the agreement, signed by the Minister of the Ministry on behalf of the Chinese Government, was perfectly legal and could not be broken.

He said that the Company officials had not been approached with reference to the reported cancellation of the agreement by the Ministry of Communications, but it is possible they would be in the future. In the event of such a step, he affirmed, the Macaky interests would certainly not agree to the cancellation.

Mr. Rhame and other officials of the Company maintain the view that the Ministry of Communications can not break the agreement without consent of the Mackay interests, merely because certain officials of the Government were not satisfied with the terms of the agreement or because other interests (presumably rival interests) took exception to it.

While further news from Nanking is lacking as we go to press, it is as yet uncertain what will be the final outcome of the controversy. It remains to be seen what ultimate steps the Ministry will take in settling this dispute.

General Sutton Arrives in Shanghai Unannounced

General Frank Sutton, who retired some years ago to British Columbia reputedly worth millions—after having faithfully served the former dictator of Manchuria, General Chang Tso-lin, in the capacity of adviser—suddenly arrived back in Shanghai during the week. During his service with Marshal Chang, General Sutton gained fame as the designer of a trench mortar particularly adapted to Chinese needs and later was made director of the arsenal at Mukden (the one that the Japanese seized last September). General Sutton also came into the public eye some years back by winning the Shanghai Champions. In Canada General Sutton was interested in various mining, railway and forestry enterprises. Old Shanghai residents in Victoria in letters to friends in Shanghai stated that the General was a close student of the mineral exbihits in the Mining Bureau in that city.

General Tsai Ting-kai, 19th Route Army Commander, Arrives in Shanghai

General Tsai Ting-kai, who gained world-wide fame when the Japanese made their onslaught into Chapei last January, by taking matters into his own hands and putting up a brilliant defense against the Japanese invasion and who has in the meantime been in the Amoy area conducting the campaign against the Communists and bandits, arrived in Shanghai during the week, making the voyage on a Dutch steamer.

Postal Workers from Manchuria Being Provided For

Steps are being taken by the Ministry of Communications for the relief of the large number of postal employees in Manchuria who have returned to within the Great Wall since the forcible occupation of the Chinese post offices in the Northeast by the puppet Manchukuo authorities. Of the thousand postal workers who have arrived at Peiping and Tientsin, 800 have already reported to the Authorities. These will be assigned to various post offices in North China as most of the displaced workers, being natives of Manchuria, can be used to good advantage in north China.

How China Collects Its Salt Revenue

BY WALTER K. S. CHANG (張錫祺)

IN spite of the unprecedented devastating flood which covered more than 70,000 square miles and affected no less than 55,000,000 people, the unusual rampage of communism and banditry in Kiangsi and Hupei which transformed at least one-third of the wto provinces into a charred desert, and, last but not least, the Japanese invasion of Manchuria which stung the Chinese to the very quick and still threatens to upset the world peace,—in spite of these misfortunes which all tended to affect seriously the production, transportation, and consumption of salt, the salt revenue of the Chinese National Government, as yielded in 1931, breaks the record of all its former history by swelling to the tremendous amount of $170,765,000, showing an increase of $9,951,000 over the previous year and $94,983,000 over 1914. Such an increase, be it pointed out, is due, not to the corresponding increase in duty rates, but to the better control over production, the improved process of releasing and the greater elimination of illicit salt. It can, therefore, easily be imagined how much more would the resources of revenue have flowed in had the year 1931 proved a less eventful one.

The Inspectorate of Salt Revenue

The Inspectorate of Salt Revenue, to which most, if not whole, part of such an extraordinary success is to be attributed, was established at Peiping in 1913 under the Ministry of Finance. Its advent was at first greeted with indifference by the people, mistrust by the salt merchants, and frown, to use a mild term, by the Yen Wu Shu (the Salt Administration Department) from whose hands it was to take over the charge of revenue collection. Before long, however, doubt was dispelled and opposition had to give way, for its service and achievement were too great not to be appreciated. What is more to its credit, the Inspectorate, despite the interference and wilful appropriation of revenue funds by the provincial authorities and militarists, has been able, besides rendering a huge surplus to the government coffer, to pay up every cent of its allotment of interest and amortization on foreign loans.

There are at present six hundred eighty-six sub-offices and seventy-four hundred thirty-five employees under its jurisdiction, while the Yen Wu Shu has seven hundred ninty-six sub-offices and eighty-two hundred eighty-eight employees. The Revenue Guards which, before their being transferred to the Inspectorate control, were known as the Preventive Forces, are estimated, with the exception of those of 16,277 under the direct control of the Ministry of Finance, at 26,128 officers and men.

Areas of Salt Production and Salt Consumption

Out of the eighteen salt production districts, the Inspectorate and Yen Wu Shu have established their sub-offices in thirteen, and out of the nine consumption areas, they have offices in seven. The eighteen production districts are Liaoning, Changlu (Hopei), Shantung, Hotung (Shansi), Huaipei (N. Kiangsu), Yangchow (C. Kiangsu), Sungkiang (S. Kiangsu), Liangcheh (Chekiang), Fukien, Kwungtung, Yunnan, Chuenpei (N. Szechuen), Chuennan (S. Szechuen), Hwating (Kansu), Tsinghai, Sinkiang, Tibet and Outer Mongolia; the first having recently been taken over by the Japanese created Manchukou, while the last five being without Inspectorate and Administrative offices. The nine consumption areas Hupeh, Hunan, Kiangsi, Anhui, Honan, Chinpei (N. Shansi), Koupei (Inner Mongolia), Kwungsi, and Kirin-Heilungkiang, with the last two remaining to be controlled.

The systems of the transportation and sale of salt now prevailing in the production and consumption areas may be classified into the following:—

1. The Free Purchase and Sale System (自由商制). It is adopted in 971 hsiens of Shantung, Honan, Shansi, Kansu, Yunnan, Kiangsu, Chekiang, etc. and takes nearly 50% of the salt business in China.
2. The Farming System (包商制). It is adopted in 373 hsiens of Hopei, Shansi, Shensi, Szechuen, Yunnan, Fukien, etc. and takes some 20% of the salt business.
3. The Monopoly System (專商制). It is adopted in 367 hsiens of Kiangsu, Anhui, Shantung, Hopei, Honan, etc. and takes no less than 18% of the salt business.
4. The Piao System (票商制). It is adopted in 167 hsiens of Hunan, Hupei, Kiangsi, and Anhui, and takes no more than 8% of the salt business.
5. The Government Transportation and Mercantile Sale System (官運民銷制). It is adopted in 92 hsiens of Kirin and Heilungkiang, and takes some 4% of the salt business.
6. The Government Monopoly System (官專賣制). It is adopted only in Changpu and Tungshan of Fukien.

Kinds of Salt and Salt Taxes

Salt may be divided into three kinds, namely (1) Alimentary Salt, including sauce, salted products, refined salt and salt for manufacturing foodstuffs, (2) Fishery Salt, and (3) Industrial and agricultural Salt. There are, besides, such by-products as bitter brine, bittern block, salt cake, peter-crystals and others. The difference of their quality and the difference of local conditions have given rise to the existence of more than forty kinds of duty rates, ranging from ten cents to twelve dollars per picul.

As to the kinds of salt taxes, though they are in the main three in number, viz., (1) The Duty Proper, (2) The Central Surtaxes, and (3) The Provincial or Local Surtaxes, they are, in fact, no less ten in all, for under the two surtaxes, seven or more items are contained.

Salt Revenue and Expenditures in 1931

The total quantity of salt produced last year was 35,760,000 piculs of Ssu Ma scale, as compared with 33,157,000 piculs in 1930. The total quantity of sale released was 41,554,000 piculs as compared with 38,158,000 piculs in 1930. The total amount of revenues collected was, as stated in the first paragraph, $170,765,000 as compared with $160,814,000 in the previous year. The total amount of expenditures incurred in the same year by the Inspectorate, Administrative and Preventive offices was $19,030,000. Comparison with 1930 showed an increase of $2,138,000.

From the figures of salt released and revenues collected, we might make out an average of the duty rates which is about $4.16 per picul. But as a matter of fact, there are least forty kinds and more of duty rates now in force in the country. Their percentage on the total quantity of consumption may be roughly put as follows:—

1.	Duty rates at	$1.00	and below				17¾ %
2.	" " "	1.00	upward to	$ 3.00			28¼ %
3.	" " "	3.00	"	"	6.00		34¾ %
4.	" " "	6.00	"	"	9.00		6½ %
5.	" " "	9.00	"	"	12.00		12¾ %

Taking it for granted that the Chinese population is now 448,231,000 and the quantity of salt consumed, 41,554,000 piculs, we can also see that every person uses on an average about nine catties of salt, without taking into account the quantity of illicit salt which is still present in many places.

Improvements Made in the Past Year

If the year 1931 was a most eventful one to China as a whole, it proved no less so to the Inspectorate officials. A great many things have they done and not a few undone. Among the more important ones are the following:—

1. The Taking over of Provincial Surtaxes. In the past, the provincial authorities, for the sake of their own needs and convenience, levied surtaxes at will and collected them themselves. This not only violated the system of salt administration, but did not a little harm to the people. By the order of the National Government, the Inspectorate offices took over and began to collect the provincial surtaxes in all districts, excepting Honan, Shantung, Hotung where local surtaxes had either been discontinued or never existed, and Changlu and Koupei where special conditions had made it impossible for such a step to be taken for the time being.
2. The Adjustment of Duty Rates. With a view to effecting the equity of tax burden as far as local environments permit, the Inspectorate, upon the recommendation of district inspectors, travelling inspectors, or salt commissioners, lowered the duty rates in fourteen places belonging to Shantung, Huaipei, Liangchen, Fukien, Honan and Hotung districts, and had them a little raised in two places of Liangcheh district.
3. The Reformation of Revenue Guards. Such malpratices of the revenue guards as the release of illicit salt, the selling of official posts and the engagement of fewer men than on the sanctioned pay-roll were notorious enough when they were controlled by the Bureau of Preventive Affairs. Immediately after they were brought under the control of the Inspectorate, plans were devised

and enforced which resulted in the reorganization and training of the forces, the better treatment of the personnel, the concentration control over the depots, salt works, and the main routes of smuggling, and the elimination of most of the deep-rooted malpractices.

4. The Examination of Alimentary Salt. Since the importance of the quality of alimentary salt, which has much to do with our health, cannot be too much emphasized, the Inspectorate officials decided and started in April last year to conduct a thorough examination of all the alimentary salt produced and sold in the whole country. More than thirty offices were established for that purpose. It was not long before their efforts began to bear fruits, for many works were discovered to have produced salt failing to contain 85% of sodium chloride and 8% of moisture, the legal standard of second class alimentary salt, and were ordered either to improve in their method of manufacturing, or to remove their works to some more favorable locations, or to close down their works for good.

5. Closure of Unrenumerative Saltworks. Owing sometimes to the difficulty or expense of control, sometimes to the scarcity or inadequacy of production, and sometimes to the inferior quality of salt produced, many saltworks were found to be so unrenumerative that their closure was considered, from the viewpoint of revenues, both desirable and necessary. During the last year, five saltworks in Shantung and one in Chuennan were closed down for one or more of the above reasons.

6. The Introduction of New Accounting System. In order to attain more accuracy and unification in the keeping of salt accounts, a new accounting system, drafted by experts was introduced on July 1st., 1931.

Plans to Be Carried out in the Near Future

While it is true that much has been done, during the past nineteen years, towards the improvement of the service by the unrelaxing efforts of the Inspectorate officials, there is no denying the fact that the battle is only half-fought and the goal of success is still distant. Of this probably no one is more aware than the officials themselves. Besides directing their attention and energies to work for the furtherance of the various reformations effected or started in the past year, they have formed for immediate realization many plans, of which the following is a part:—

1. To Restrict Salt Production and Improve Salt Quality. It has been the tendency for most of the saltworks to produce as much salt as they can without the least regard to its quality and demand. The natural result is the excess of supply and the lowness of quality which are not only unbeneficial to the producers themselves, but also detrimental to the people who consume the salt. In order to best meet the demands of the consumption areas, the inspectors of the production districts should, with the help of salt commissioners, work out beforehand a budget showing the necessary quantities of salt to be produced the following year. On the other hand, more frequent and thorough examinations of salt, both alimentary and otherwise, should be made so as to improve its quality or at least bring it up to standard.

2. To Establish Government Stores. That the advantages of government stores are manifold no one can doubt. For in the first place and on the part of government, it will facilitate control and economize expenses; in the second place and on the part of salt merchants, it will render transportation both the easier and the less expensive; and in the third place, it will also enable the salt merchants to ask, on the strength of the store certificate, the bankers for mortgage loans. The gratifying result achieved in Changlu and Chuennan where government stores have been established convinces the authoritis of the necessity of their immediate introduction. The work of construction has already started in Huaipei and others are soon to follow.

3. To Improve and Unify the Duty Rates. Although the unceasing toils of the salt officials have for the past nineteen years reduced the number of duty rates from seven hundred, as existed in the Tsing dynasty, to four dozen, it is deemed necessary that still more efforts should be made along this line. For the non-unification of duty rates, besides having its drawback of unequity of burden, renders it very hard for the revenue guards to carry out their preventive work with efficiency, and is apt to give occasion to the reaping of illegal profits either by unscrupulous officials or avaricious merchants. With due considerations of local circumstances, salt prices and transportation fees, the Inspectorate have laid out plans to bring about, in three successive periods, improvements and, finally, unification of the salt duty rates.

4. To Enforce the New Standard Weighing System. For one reason or another, the enforcement of the new standard weighing system scheduled to be adopted in the Inspectorate service from January 1931 has been much delayed. According to the new system, that is, the metric system, the kilogram is to be the standard catty, and every 100 standard catties are equivalent somewhat to 157½ Ssu Ma catties. It is decided to introduce it into the service as soon as possible, with, at the same time, adequate revision of the rates of salt duty.

Inspectorate Officials Deserve Credit

In view of the unfavorable conditions obtaining throughout the length and breadth of the country, the services rendered by the Inspectorate officials who, in carrying out of their work, have surmounted a thousand difficulties and are still fighting with smugglers, militarists, bandits, conservatives, and what not, deserve the admiration and encouragement of every man of sense. In the meantime, it is to be hoped that if we cannot flatter ourselves to see in the near future the enforcement of the new salt law which provides that the people shall enjoy the right of free purchase and sale of salt, that taxes are to be collected at the place of production, and that the duty rate on alimentary and fishery salt shall be $5.00 and $0.30 respectively without any surtax, while industrial and agricultural salt shall be exempted from duty, we might at least visualize, within the next few years, the accomplishment of all the constructive plans mentioned in the foregoing.

Taichow Chief Collectorate,

Haimen, Chekiang, August 22, 1932.

Revolutionary Riots Break Out in Germany

Rioting bordering on revolution broke out at Beuthen, Silesia, Germany, August 22. A special anti-terrorist court in that city established under the dictatorial decree recently promulgated by President von Hindenburg sentenced five members of the Hitlerites' "Brown Militia" to death for the murder of the communist Pietrzuch, in the village of Potempa, Silesia, on August 10, shortly after the midnight on which the anti-terrorist dictatorial decree became effective. The rioting broke out immediately after the death sentences were pronounced.

Thousands of clamoring people surrounded the courthouse, threatening to storm the building and release the prisoners. Nazis rushed through the streets, smashed the windows of Jewish stores, and attacked the offices of Socialist and Catholic newspapers. Steel-helmeted police used their rifles in an attempt to restore order.

Following the sentences, a Reichstag deputy arose from his seat in the courtroom and shouted, "The German people will deliver different sentences!"

The campaign which is being carried on by the Nazis in Germany is of the same character as was carried on by the now discredited Ku Klux Klan in the United States up until a few years ago. Appealing to the prejudice and much more frequently to the ignorance of their followers the Nazis in Germany are now, as the Ku Klux Klan followers did in America, conducting a campaign of intimidation and oppression against that part of the population that they do not consider "good Germans" or "good Americans." In both cases Jews and Catholics have been the object of attack, in addition to others.

Shanghai North Station to Be Transferred to Chenju

Plans for the transfer and reconstruction of the Shanghai North Railway Station to a site near Chenju involving an approximate outlay of $10 million, have been made with due consideration to future expansion and should be sufficient to serve the most extravagant needs for the next fifty years, according to a high official of the Ministry of Railways.

The first part of the program, he said, comprises office buildings for various departments of the Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railway Administration, godowns, station platforms, side-tracks, and workshop. The present godowns at the Markham Road Junction will also be enlarged. The workshop at Woosung will be removed to the new site near the station. Due allowance will be made for future extensions. A strip of land near Chenju, about 3,000 feet in width and over 10,000 feet in length, has been demarcated as the station compound.

Chinese Gave Millions to Aid 19th Route Army

The untiring and almost inexhaustible financial and moral support given by Chinese communities throughout China and the world to the 19th Route Army in its historical armed resistance against the Japanese invasion of the Shanghai areas during the early part of the year was revealed in an acknowledging report made public last week by Generals Chiang Kwang-nai and Tsai Ting-kai, the commanders of the crack Cantonese unit and the heroes of all China.

The abridged report discloses that contributions received at the 19th Route Army headquarters during the months between February 1 to July 31 amounted to $10,680,372.00, G.$46,725, £56.10.00 and $50 in subsidiary coins. Of this sum, the 19th Route Army commanders spent $10,220,496.70 for its operations against the Japanese forces and for the assistance lent the allied units which participated in the defense works. The balance of $459,875.50, G.$46,725, £56.10.0 and the $50 in subsidiary coins was shown on the credit side of the army books at the end of June, the commandant announced.

Shanghai's Gifts

Donations from the domestic provinces and cities amounted to $2,978,783.76, Tls. 503,950.16, Hongkong $685,025.01, Canton $821,564.48, Canton banknotes totaling $940,422.90, G.$3,741 and 100 guilders, Dutch currency. The populace of the Municipality of Greater Shanghai alone contributed $533,479.84, Tls. 2,470, Hongkong $7,436.30 and G.$3,741 in addition to donations in articles, uniforms, food and other things that improve or help the soldiers in their fight against the Japanese.

Chinese communities in Nanking contributed $91,355.-90 and 100 guilders, Kiangsu gave $84,452,46; Chekiang, $82,594.80; Anhwei, Tls. 25,789.80; Kiangsi, $10,019.47; Hupeh, $103,252.65; Hunan, $23,474.47; Szechuen, $42,-246.05; Canton $370 and Canton notes Tls. 250; Hopei, $68,002.24; Tientsin, $135,445.41; Shantung, $97,776.82; Tsingtao, $14,255.77; Honan, $11,370.74; Shansi, $5,766.-40; Shensi, $14,008.27; Kansu, Tls. 880,34; and Fukien, $155,373.27.

Kwangtung Gives Freely

Kwangtung, the birth-place of the crack army unit, gave freely. Canton city contributed $524,824.64, Tls. 70,952, Hongkong $26,564.99, Canton $513,000.95 and $884,861.15 in Cantonese banknotes. Swatow gave Tls. 127,791.79 and $52 in Cantonese currency. The other cities of Kwangtung province turned into the army treasury an aggregate sum of $95,509.63, Tls. 7,450, Hongkong $52,110.93, Cantonese $254,176.36 and $46,268.15 Cantonese banknotes.

Hongkong residents gave the biggest sum of $610,-596.20, Tls. 408,015,97, Hongkong $567,043.54, Cantonese $6,122.52 and Cantonese banknotes amounting to $46,-268.15. Macao contributed $95,371.23, Tls. 5,000, Hongkong $20,725.82, Cantonese $10,429.25, Cantonese banknotes $490. Residents in Canton Bay gave Hongkong $10,366.20 and $500 in Cantonese currency. Kwangsi contributed $2,776.90, Hongkong $777.23, Cantonese $36,-913.40 and Cantonese banknotes $1,700.

Far Provinces Help

Yunnan did its part by giving $2,703.85 and Tls. 9,-464.15. Kweichow gave $11,185.33. The remote province of Kokonor also sent $1,000 to the fighting force. Chinese residents in Northeastern Provinces, now under Japanese occupation, voiced their sympathies by sending $7,479.19 despite the chaotic situation there.

Chinese oversea patriots in the United States remitted to the 19th Route Army in their father country a total of $1,745,647.73, Tls. 57,398.07 and G. $19,919. Those in the Philippine Islands sent to their mother country $719,352.74 and Tls. 69,534.26. Chinese aliens in Hawaiian Islands remitted to the 19th Route Army $237,000 and Tls. 127.27. A sum of $40,696.52, Tls. 17,-895 and Hongkong $2,000 were contributed by those in Mexico. Residents in Central and Latin American countries and those in West Indies sent $197,876.83, Hongkong $800, G.$18,400, and £56.1.0. Of this sum Chinese residents in Cuba gave $125,000.

Students Do Their Bit

Chinese merchants and students in European countries remitted to the army headquarters a total of $25,-562.34 and Tls. 3,108.47. Those in Africa gave $3,322.26 and Hongkong $2,166.05. A sum of $42,260.45, Tls. 9,-172.55, Hongkong $2,220 and G.$3,655 was sent by Chinese in Australia. Those in Canada contributed $178,-596.25, Tls. 5,723.62, Hongkong $2,401 and G.$1,000. Chinese residents in British Straits Settlements sent $271,-293.21, Tls. 210 and Cantonese $570. Chinese in Burma contributed $2,075.05 and Tls. 53,071.

Sums of $535,788.79, Tls. 70,636.66 Hongkong $8,-000, and Cantonese $1,180 were sent here by Chinese residents in Dutch Straits Settlement. Those in Indo-China sent $90,440.30, Tls. 214,083.98, Hongkong $71,-315.35 and Cantonese $4,460.71. Those in Siam contributed $92,603.96, Tls. 948.50 and Hongkong $126.

Contributions from Abroad

Donations from Chinese overseas and foreign nationals abroad, according to the report, amounted to $4,-179,194.17, Tls. 505,831.64, Hongkong $98,028.40, Cantonese $6,210.71, G.$42,984 and £56.10.0.

The main items on the expenditures side of the balance sheet are those for salaries and wages for the privates and officers and a sum of $1,200,000 for the purchasing of firearms to replace those damaged and lost during the hostilities here. A sum of $1,700,000 was disbursed for the payment of back wages of the army unit for the months from June to November last year. The sums represents the balance of $5,800,000 military expenses of which the Ministry of Finance paid only $4,100,000.

The High Cost of War

Another item listed is the payment of $3,215,771 for the deficits uncovered by the government allotted expenses, fixed at $500,000 a month. The expenses increased between December to June of this year and the above sum was appropriated for the contributions to meet the deficit.

For the construction of defense works on the Chapei-Woosung and Chenju-Liuho fronts, a sum of $270,520.50 was spent for the purchasing of barbed wires, and other articles. A sum of $376,248.20 was spent for establishing communications and for the acquiring of motorcars, steam launches, telephone and telegraphic supplies. The mobilization of new recruits through General Ho Chien, chairman of the Hunan provincial Government, and other representatives in other provinces cost the army $625,-000. A total of 25,000 new soldiers were put under the banners of the army.

Half Million for Wounded Soldiers

A sum of $364,000 was appropriated for making new uniforms, raincoats, and other equipment for the soldiers of the army. Rice valued at $100,000 was purchased and $540,320 was distributed among the wounded soldiers and others who distinguished themselves in the engagements. For miscellaneous purposes, including those for hiring civilian labor, $600,720 was spent.

The allied units, including the 5th Route Army, received subsidies totalling $325,664 while a sum of $83,-000 was given the soldiers which rendered distinguished services. Among the divisions given the rewards were the 78th, 60th and 61st divisions, the 6th Regiment of Gendarmes, and the 156th Brigade of the 78th Division under the command of Brig.-General Ong Chao-huan, which fought in the Woosung area. A total of 3,050 officers and 42,348 soldiers received the rewards.

Secret Service Maintained

Military intelligence department to send spies to the enemy lines cost the army $200,000 while publicity funds amounted to $50,000. A sum of $55,000 was given the local relief societies for the refugees. The upkeep of offices in Nanking, Shanghai, Canton and Hongkong for the army cost $81,457. The 1st and 2nd reserve regiments appropriated $87,000 while another sum of Tls. 30,000 was given the National Salvation Forces in Northeastern Provinces.

The 120 officers and 2,301 soldiers who lost their lives during the hostilities received pensions which amounted to $200,000, it was also revealed.

Manchukuo Protests Against Soviet Advances at Manchuli

Since the outbreak of the Manchurian Incident, Soviet troops have been concentrated on the border districts, but from the beginning of this month, according to Japanese advices from Harbin, these troops have began to construct semi-permanent barracks within the border in the vicinity of Manchuli and have started operations which may be described as being of a military character.

In view of this fact, the Foreign Ministry of the Manchukuo Government August 15 lodged a strong protest with the Soviet Consul-General in Harbin, demanding the removal of the barracks and the immediate withdrawal of the troops to the outside of the frontier. There are indications that diplomatic relations between Russia and Manchukuo have been strained of late.

According to the *Press Union*, the Manchukuo protest to the Soviets was in the following terms:—"The Manchukuo authorities have received information to the effect that a large number of armed Soviet soldiers in the guise of reconnoiterers have crossed the Russo-Manchurian border and they have posted themselves in close proximity to the Manchukuo troops. Such a gesture as this on your part is liable to cause grave misunderstanding between the Governments of the two nations. Consequently, for the sake of friendly relations between the two countries, we are constrained to request the authorities of your country to remove semi-permanent military defence works in the Manchuli section at once and to order the immediate withdrawal of the Soviet reconoitering soldiers to a proper distance from our first line of defence in order to forestall any untoward incident."

In this connection a Tokyo message stated that Japan had no intention of interfering in the matter as the protest was made of its own accord by the Manchukuo Government.

Soviet Employee Deported by Manchukuo Authorities

The Russian press at Harbin, Aug. 12, reported that a U.S.S.R. diplomatic courier named Sergeyeff, was recently refused admittance into Manchukao. From the reports published, it would appear that Sergeyeff left Vladivostok for Harbin, but that owing to the cessation of communications on the eastern line of the Chinese Eastern Railway, he was forced to travel via China and Manchuli. Upon arrival at the latter town, it was found that his credentials were not in order, moreover that his passport had been visaed for entry into "Manchukuo" by the Chinese Consul at Vladivostok. It is reported that when invited to take out a "Manchukuo" visa at Manchuli, Sergeyeff refused and stated that his documents were in order, and that he did not recognise the new State of Manchukuo. Sergeyeff was then arrested, and his baggage was examined. However, he was later released on bail provided by the Soviet Consul at Manchuli. Eventually on July 30 he was deported.

The C. E. R. Now Becomes the "North" Manchuria Railway

Information has been received from Changchun that it is proposed to change the name of the Chinese Eastern Railway, and that this organisation as soon as the proposal is approved will be called the North Manchuria Railway. It is stated that the Manchukuo members of the Board are now negotiating with the Soviet members of the Railway Board in respect to this change.

Manchukuo to Form Tobacco Monopoly---Heavy Blow to B. A. T.

According to the Japanese press at Harbin, the Government of Manchukuo intends to form a State Monopoly for the sale of tobacco and cigarettes.

The monopoly will probably come into effect from January 1, 1933, when all tobacco and cigarette factories in Manchukuo will only be permitted to fulfil Government orders. Moreover, all sales of the manufactured products will be handled by the Monopoly Bureau, which organisation will add from 20 to 25 per cent to its cost price, to cover its commission and expenses.

This action will prove a still further blow to the business of the British-American Tobacco Co., which up until the time of the Japanese invasion in Manchuria did more business in Manchuria than in any other part of China. The Japanese (Manchukuo) action in this respect is a direct challenge to both Britain and America, and it remains to be seen whether any definite action will be taken to stay Japan's hand in Manchuria. However, it may be taken for granted that if Manchukuo is able to carry out this idea of a tobacco monopoly, the Chinese Government will be constrained to follow the same course. The Chinese Government already several years ago had plans on foot to introduce such a monopoly, but action in the matter was delayed. The news from Manchuria will undoubtedly revive the project.

Air Mail to Europe via Saigon Being Used

The trial mail delivery between China and Europe on the express route via the Saigon-Marseilles air-way has been very successful, Lin Shih, Director of the Department of Posts of the Ministry of Communications, announced at Nanking recently. This service is being utilized, following arrangements with the French authorities, in place of the trans-Siberian Railway route, abandoned since the postal blockade of Manchuria, and prior to the inauguration of the Shanghai-Berlin service via the North-west. The first batch of mail sent to Europe via the Saigon-Marseilles air route has been duly delivered, Mr. Lin said.

Another step towards rapid communication facilities between China and Europe will shortly be taken by the China National Aviation Corporation with the inauguration of a Shanghai-Haiphong air mail and passenger service, it is learnt at the Ministry of Communications.

Pending the operation of the Shanghai-Sinkiang service and the conclusion of arrangements with the Soviet authorities for the Shanghai-Berlin Airway under the Eurasia Aviation Corporation, the China National Aviation Corportion has been instructed to hasten preparations for the early inauguration of the Shanghai-Haiphong service via Ningpo, Wenchow, Amoy and Canton. At its southern terminus, Haiphong, the new service will effect junction with Saigon-Marseilles air mail, the gap between Haiphong and Saigon to be connected by rail.

Capital Sentence for Noulens Pair--Commuted to Life Imprisonment

The Kiangsu Higher Court at noon August 19 pronounced judgment in the Noulens case. It found the defendants guilty under Paragraph Six, Article One of the Chinese Government Emergency Laws, both defendants receiving a sentence of the death penalty. In accordance with the General Amnesty Act, however, this sentence was immediately commuted to one of life imprisonment.

Mr. and Mrs. Noulens both remained silent after hearing the judgment, but it is generally believed that they will appeal to the Supreme Court.

Judge Li Mien stated that the Noulens couple had violated paragraphs 1, 3 and 4 of Article One, paragraphs 1 and 2 of Article Two and Article Six of the Chinese Government Emergency Laws. The death penalty was imposed in accordance with Article 74 of the Criminal Code.

The Noulens were found not guilty of charges under Article Five of the Emergency Laws.

Mrs. Sun Yat-sen has issued a lengthy statement to the effect that the judgment in the Noulens case is unlawful. She cites the alleged violations in detail and refers to an "implied promise" made by the Minister of Justice Dr. Lo Wen-kan that the Noulens couple would be pardoned.

Members of Noulens Defense Committee Resign

The Paul and Gertrud Ruegg (Noulens) Defense Committee announces the resignation of Dr. George A. Fitch, Hallett Abend, Victor Keen, Egbert Hayes and Edgar Snow. An expression of thanks was tendered the resigned members for their support in behalf of the communist trial defendants. The moving spirit in the defense committee is Harold R. Isaacs, an American supporter of Communism, and he had of late been committing the members of the committee to action from which they wished to dissociate themselves.

Shantung Magistrate Is Flogged by Order of General

General Han Fu-chu, Chairman of the Shantung Provincial Government, assumed the role of the stern judge at Tsinan August 17 when he ordered Lu Chiao-min, magistrate of Pingyuan, to be flogged for corruption. Two magistrates, Lu Chiao-min of Pingyuan and Hsieh Ta-yu of Tsowhsien, were brought before the Shantung Chairman following charges made by the inhabitants of their respective districts for misappropriation of the proceeds from extortionate fines which they had imposed on the people. Both being found guilty, General Han ordered their dismissal from office and fined them $1,500 each. Lu, whose offence was more serious, was, in addition, given 50 strokes with the bamboo, a punishment reminiscent of olden days.

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Japan's Anxiety About League Commission's Report

(From the Review's Own Correspondent)

Tokyo, August 17, 1932.

The League Enquiry Commission's report is a popular topic among thinking Japanese and they are engrossed in wild speculations. The following are extracts from the Japanese Press.

The *Miyako*, in its issue of August 12, declares: It cannot be predicted that the League Enquiry Commission's report will after all turn out in our favor. If America, taking the lead of the League's minor countries, tries to hinder us at the meeting of the League to be held toward the end of this year, there is no knowing what would become of the result of the meeting. There are optimists who declare that the League's attitude is not necessarily to be feared of, yet it must never be treated lightly. Indeed, this may lead to an unprecedentedly serious consequence to our country. The nation must therefore be well prepared.

League Commission's Report Rumored to Recognize China's Sovereignty over Manchuria

The *Jiji Shimpo* comments in its issue of August 14 as follows: The League Enquiry Commission's report is rumored to recognize the Chinese sovereignty over Manchuria. However, this does not waver our firm belief that the only solution to the Manchuria problem lies in our recognition. In carrying it out never should we hang back in the face of "lack of recognition" and misunderstanding.

Commission will Deny Manchukuo's Being an Independent State

The *Chugai Shogyo Shimpo* says something like this in its issue of August 8: The League Enquiry Commission is reported to have expressed its view that the new state of Manchukuo is to be included in China's local administrative areas. They thus deny that Manchukuo is an independent international state. We have no means of ascertaining the veracity of this statement, but granting that the report is true, it is our view that the League Commission looks at the whole Manchuria situation merely from a legal point of view and refuses to consider the facts as they are.

Japan Need Not Pay Much Attention to the Commission's Report

The *Yomiuri* comments in its issue of August 7 to this effect: Whatever may be the report of the Commission, there is no need for Japan to pay much attention to it. The independence of Manchukuo is based upon real self-determination and is a reality that cannot be overlooked. Considering the relations between Japan and Manchukuo it is quite clear that recognition is but reasonable. Indeed, this is only a matter of time.

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Interviewed by a reporter of the *Jitsugyo-no-Nippon*, Dr. Ito of the League of Nations remarked in part as follows:

Perhaps none but the members themselves know what report the Commission will make. But it is not at all impossible to imagine what it must be like, judged by their movement, the course of making inquiries and conditions that surround them—though it may be a wrong imagination. It was reliably conjectured, at the time of their arrival here, that they had sentiments favorable to Japan, because it seemed their basic idea was that since they are not judges they should be free from the notion of passing judgment upon what the two countries had done in the past, but that they should conduct inquiries into the real conditions of the affair and, with a view to establishing peace in the Far East, must find out the most appropriate way to the solution of the dispute. After their arrival at Shanghai a slight change seemed to have come into their minds. This is, we hear, because they were infused with strong anti-Japanese sentiments there.

At this very moment another trouble occurred in connection with Dr. Koo's entrance into Manchuria. China demonstrated as if the disapproval on the part of Manchukuo were the intention of the Japanese Government. In view of the circumstances I visited Lord Lytton at Peping on April 12 and had a talk for over two hours but failed to make him understand me.

Since their arrival in Manchukuo, it seemed again there came a change in their mind: What they considered right at Peiping was wrong, for the Government of Manchukuo, as an independent state, was an undeniable reality; they had to recognize the plain fact of the existence of Manchukuo, and decided to base all their future plans upon this notion.

Their second visit to Japan was with a view to consulting us as to how to keep China in countenance, since they had recognized our right and interest. But our Government clarified its position so decisively that their resolution admitted of no reconsideration. The Commission, having no resources, withdrew to China, it is supposed. The Commission's report to be prepared there, is of course beyond our power to predict, but, in my opinion, any decision they may form must, as was already mentioned, be founded upon the safe assurance of the establishment of peace in the Far East, and must not be such as arrived at by a judge.

***

In his answer to the questions about the League Commission put to him by a reporter of the *Hinode*, a popular magazine of Tokyo, Dr. Minoru Yoneda, Japan's foremost critic on politics, is quoted to have declared in part as follows:

Probable Reports to Be Made to the League by the Commission?

Reporter: What were the results of the Commission's inquiry?

Dr. Yoneda: They are not yet known well, but as far as I gather the Commission seem to have been confused either at unexpected happennings or agitations created by the Chinese side, such as fanned by General Chang Hsueh-liang. While they were on board on the Pacific Ocean the establishment of Manchukuo was deliberated and agreed upon among the Chinese residents in Manchuria; during their sojourn in Japan the declaration of its foundation was made. Thus the League Commission found conditions in Manchuria had undergone a complete change as compared with those at the time of their appointment. Added to this, at Peiping and Tientsin General Chang's tactful propaganda seemed to have surprised them. It is said that, on entering Manchuria, they could realize how effectively the two billion yen had been invested in the region, how far the investment had contributed to the promotion of its culture, how the existence of Manchuria had grown to be an unignorable reality, and how the general conditions in Manchuria, by either the rampancy of bandits or by similar disturbances, had been reduced to helpless extremity. Part of their report has already been sent to their Geneva headquarters and further particulars will be submitted in their next and the last reports.

What Is the Commission's Attitude on How to Deal with the Future of Manchuria?

Reporter: By the way, what do you think the Commission's attitude will be in regard to the question of how to deal with Manchuria in future? Are not our compatriots anxious to know more about this question rather than to assure themselves that the Commission make reports based upon real facts?

Dr. Yoneda: Certainly, they are. This is perhaps a most important question confronting not only our country but the world at large. I do not think that a unified view has been formed among members of the Commission. There may exist pretty wide differences among the opinions of the five members. I am inclined to suppose among them the American member may after all remain sympathetic with China's insistence, while the French member seems to understand fairly well the unavoidable stand taken by Japan. This tendency on the part of the United States is not only in consequence of the result of the Commission's inquiries made in Manchuria but also one of the national policies of the United States; the United States has been advocating the open-door policy and territorial integrity of China from the standpoint of its national policies, hence the Americans' disfavoring the idea of separating Manchuria from the main part of China. Taking those facts into consideration, it is but reasonable to suppose that even if he is considered as the League's American member, and not particularly as of America's, it remains unaltered that General McCoy cannot be apathetic to his country's established policy.

Reporter: Then, how about the other members?

Dr. Yoneda: France is placed in a situation quite similar to Japan's in that it must advocate the sacredness and inviolability of treaties against Germany and other countries even by force of arms if such is considered unavoidable. Consequently, therefore, it seems that the French member best understands the Japan's standing in relation to Manchuria. The German member of the Commission, however, must be inclined to be sympathetic more with China than with Japan, judging from the fact that his country is intent upon finding outlet for its manufactures to China and that in Europe it occupies a rather inferior position against France. Under such delicate circumstances the English member, who feels heavy

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responsibility upon his shoulders, is apparently striving hard to bring the dispute of the two nations into amicable settlement, at the same time not forgetting to pay careful attention to how to nurture amity among the Committee members. It seems he is really anxious to disentangle, with an attitude fair and disinterested, the knotty troubles, satisfactorily to all concerned.

What Are the Draft Plans Entertained by the Commission?

Reporter: I understand definite plans are not yet made, but, what may be their draft plans?

Dr. Yoneda: A clairvoyant might know, but not I. So, I can give no definite answer. This does not mean, however, that I cannot surmise what might be considered among them or at least among some of them. Probably they draft two or three plans by weighing the difference between one draft plan that would possibly satisfy Japan and the other that would do for China. One of their plans may be that a Chinese governor is to be appointed in Manchuria as a territory belonging to China, and as in the case of Canada and Australia he is to be vested with perfect autonomy, and by thus freeing the territory from the interference of the Chinese home Government the Japanese right and interest there is to be assured. Or, it may be that Japanese officials are to be appointed in this autonomous government. Or, still it may be that Japan is to have mandatory rule over Manchuria. In case these supposed plans of the Commission fail to bring about harmony between Manchukuo and themselves, another plan which is far more favorable to the Japanese ideals may be established in their stead.

Suspicious Foreign Plane Makes Forced Landing Near Loyang

Two foreigners, said to be a German and a Russian, who made a forced landing from a military airplane near Loyang on August 15, were sent to Hankow under escort for examination at the Commander-in-Chief's Headquarters of the Honan-Hupeh-Anhwei Bandit-Suppression Forces. The prisoners were flying to an unknown destination from Peiping when engine trouble forced them to land near Loyang. Their behavior being suspicious, the local garrison troops detained them and conducted a search of their plane. Four machine-guns were found on board.

Japanese Peer Severely Criticizes Japanese Army

The Tokyo correspondent of the *North China Daily News* says that quite a furore was created recently in the Japanese capital as the result of a speech alleged to have been delivered by Dr. Tadao Yamakawa, a member of the House of Peers and a leader of the League of Nations Association of Japan. Dr. Yamakawa, it is said, while delivering a series of political lectures in the north, declared that there was very little co-ordination between the Army and the Navy—the former being inclined to be reckless of consequences—while he also declared that the bombing of the tracks of the South Manchurian Railway, near Mukden, in September last, was not the work of Chinese troops but of Japanese. This latter statement especially has been greatly resented by Army circles in Tokyo who brought pressure on Dr. Yanakawa to retract his statement or to produce proofs of the accuracy of what he is reported to have said. Dr. Yamakawa now declares that he did not make any such assertion and that he had been misrepresented. Reporters present at the time the speech was delivered, however, are absolutely certain that he made such remarks, and the two principal news agencies here—the *Nippon Dempo* and the *Rengo*—maintain that the accuracy of the respective representatives cannot be called into question and that they are perfectly satisfied that Dr. Yamakawa did make the remarks attributed to him.

The incident has created quite a storm in a tea-cup. The military are quite indignant over what they call a gratuitous insult to the Army, and are determined to exact satisfaction from Dr. Yamakawa.

Greater Shanghai Has a $3,000,000 Deficit

Owing to the incidence of a budgetary deficit of $3,000,000, the City Government of Greater Shanghai has appointed O. K. Yui, general secretary, Huang Peh-chiao, commissioner of Bureau of Public Utilities, Tsai Tseng-ki, commissioner of Bureau of Finance, and Shen Yen, commissioner of Bureau of Public Works, to form a special committee to seek measures to meet the shortage. The first meeting of the special committee was scheduled to be held during the week.

Revival of the Boycott Movement

BY PAUL K. WHANG (汪仲芳)

AFTER apparently lapsing into lethargy for a few months since the cessation of Sino-Japanese hostilities in Shanghai, the boycott movement, which has already contributed much to accentuating Japan's economic and financial crises, has been once again revived throughout the whole of China. The present spasmodic revival which has its stimulus in the Japanese impending invasion of Jehol and North China will once again remind the Japanese of the old saying that one who sows the wind will reap the whirlwind.

Since the suspension of anti-Japanese organizations on the eve of the Shanghai "war" at the end of January and the cessation of Sino-Japanese hostilities at the beginning of March, the imports of Japanese goods have been rapidly on the increase. The imports of the first four months of this year, according to the Customs Reports, are as follows:

	Hk. Tls.	% of the total imports
January	8,997,000	8.68
February	17,887,000	10.78
March	31,336,000	11.92
April	51,941,000	13.14

Thus within a short span of four months, the import of Japanese goods has increased about six times, while the percentage of the total imports has risen from 8.68 to 13.14.

In the meantime, the import of Japanese cotton piece goods has increased about 3.5 times from Hk. Tls. 1,685,156 in January to Hk. Tls. 5,626,999 in April; that of Japanese sugar about 3 times from Hk. Tls. 612,058 in January to Hk. Tls. 1,760,240 in April; that of Japanese artificial silk about 3.5 times from Hk. Tls. 121,564 in January to Hk. Tls. 412,591 in April; and that of Japanese paper from Hk. Tls. 500,193 in January to Hk. Tls. 761,688 in April.

The above figures, however, do not disclose the exact situation, because it is an open secret that a large quantity of Japanese goods has been first sent to foreign ports to be repacked and then shipped to China under the caption "Made in U. S. A." or "Made in England." Thus, taking all in all, the actual imports of Japanese goods must amount to much bigger sums than the above figures.

Dishonest Chinese Merchants Are Artful

By no stretch of imagination can this rapid increase in the import of Japanese goods be interpreted as that the Chinese have already forgot their wrongs done by the Japanese. On the contrary, the anti-Japanese feeling among the Chinese people is still as strong as ever, and no one who can read will pay for a small article marked with "Made in Japanese." As a matter of fact, even the poor people, whose illiteracy has prevented them from identifying the origin of goods, will ascertain from the retailers that their purchases are not imported from the Island Empire.

But the sad aspect of the situation is that many of the Chinese wholesale merchants have become more and more artful in their methods of counterfeiting trade marks on the Japanese goods with Chinese and inventing fictitious Chinese firms as being the manufacturers of the products for the purpose of hoodwinking the buying public and merchants in the interior.

It seems that, in the dictionary of many business men, possibly there is no such a word as "boycott." Their personal interest always weighs more than the national welfare, and their love of money has prompted them to utilize the boycott situation to earn extra profits. It the Chinese merchants agree to mark all retail goods with a statement of origin, I wonder very much if the Japanese goods will prove as salable to the Chinese buying public as they are now.

To deal with these boycott breakers, several secret societies have sprung up since June, the best known of which is the Bloody Group for the Extermination of Traitors. Instead of resorting to seizure of Japanese goods as practised formerly, they have sent to Chinese merchants dealing in Japanese goods letters of intimidation, often accompanied by bullets and hand grenades and with the warning, "Failure to heed this written notice will be punished by bombing." In order to show they really mean what they say, during the past few weeks bombs have been actually thrown into several shops which are known as dealers in Japanese goods, exploding with more or less damage. Yung Wei-fang, a sixteen-old bo mb-thrower, whose arrest and trial have caused a great sensation in the local public, has been proclaimed as a national hero because of his patriotic pact, for whose release more than twenty public organization have signed a joint petition to the First District Court.

Evidently aroused by the activities of these secret societies, the local Chinese Chamber of Commerce, in a circular telegram to public bodies throughout the nation on August 13, urged that a nation-wide public opinion be brought to bear upon those dealing in Japanese goods. Many other public bodies including the National Salvation Association have likewise renewed their efforts in pushing the boycott movement and various trade organizations have warned their members not to deal in Japanese goods. In the meantime, those "traitorous" merchants who have received warnings from secret societies are panic-stricken, and in order to prevent any mishap from falling on their their dear lives, which they certainly prize more than their wealth, they have lost no time to vindicate themeselves through inserting advertisements in Chinese newspapers and cancelling their unfulfilled contracts with the Japanese merchants. Encouraged by their initial success, these secret societies have now established branches in all the big cities in China, and their nation-wide activities will cause our "traitorous" merchants many sleepless nights.

I have no mind to touch upon the legality of the methods adopted by these secret societies, but that their presence will discourage those merchants from handling Japanese products is a matter of certainty. This new movement has caused a great alarm among the local Japanese residents, who have already convened many meetings to decide on the counter-measures to cope with the intense situation, and appealed to the Tokyo government for assistance. Several of the Japanese officials have even intimated that if the Chinese do not trim their sails a second Shanghai "incident" sinular to the first one, will occur. In an interview with a representative of the *China Press*, a Japanese official of the Shanghai Municipal Council stated "The boycott may be regarded by the Japanese as tantamount to a declaration of war." Farther, he said, "By their boycott the Chinese stand to pay 50 per cent more for foreign goods in preference to the cheaper but equally as good merchandise turned out in Japan. Thus, they are enriching the coffers of other foreign nations instead of purchasing Japanese goods and using the savings toward building up their army and navy and other departments of the government."

Boycott Hurts Japan More than China

That the boycott is regarded as a legal weapon can not be gainsaid. But to the Japanese any legal retaliatory measure against their highly provocative acts may be considered as tantamount to a declaration of war. It is true that the boycott is a double-edged weapon, which afflicts both parties concerned, but that the Japanese will suffer much more than the Chinese is evident to all. It is rather queer for that Japanese official to suggest that in buying Japanese goods the Chinese can save money "to build up their army and navy and other departments of the government." We presume that what he has really in his mind is that in selling Japanese goods to the Chinese, the Japanese can build up an even bigger and stronger army and navy to realize their wide dream of conquering the world.

Dr. Wellington V. K. Koo, when he was at Shanghai several months ago after his return from Manchuria with the Lytton Commission, in a public address stated that the Chinese had no other means to bring the Japanese militarists to their senses and to recover their lost territories than an effective boycott movement. This sentiment has been endorsed by most of our people who have realized the futility of a weak nation waging war against a strong power.

But it is most deplorable that when Manchuria is still occupied by our enemy and the vestige of destruction in the Shanghai war areas has not yet been removed, some of our merchants have been so "unpatriotic" as to hoodwink the patriotic public by counterfeiting trade marks on the Japanese goods with Chinese. Is it true that human memory is so short that they have already forgot the wrongs done to their country? Their nefarious activities have naturally aroused the wrath of the majority of the Chinese people and compelled the ultra-patriotic people to resort to drastic measures to bring these "traitorous" merchants to their senses.

While we may not fully approve the drastic measures as now practised by those secret societies, we do believe that they are the only effective measures to curb the malpractices of these "traitorous" merchants. No words sufficiently strong can be found in the dictionary to condemn these

"traitorous" merchants. They are the enemies of the Chinese people, and as such, they must be removed from our midst, so that the boycott movement can be carried to a successful conclusion. In the present crisis, we must show to the world that our patriotism is no longer of "a five-minute duration," and that while we can not recover our lost territories by force we must wield our economic weapon effectively. Any one whose activities are calculated to break up our boycott movement must be ostracized from our society and condemned by all his friends and relatives.

Shanghai, August 22, 1932.

Japanese "Worried" About "Late" General Ma's Belongings

The persistence with which the Japanese telegrams reiterate and insist that General Ma Chan-san is dead is little short of comical, vide the two telegrams below issued by "Shimbun Rengo."

Mukden, August 19

The Japanese military authorities are looking in vain for the family of the late General Ma Chan-shan to deliver the belongings of the late General, which were found at the very spot where the "hero" of Manchuria met his tragic death. His family members are believed to have taken refuge at Peiho. The money amounting to 200,000 yuan, which had been in the possession of the General, however, was handed over to the Manchukuo Government to be used for the relief of flood sufferers.

It was reported August 8 that the body of the late General Ma was found buried in the vicinity of Ankuchen, where severe fighting was in progresss. His body, after being identified by those who were well acquainted with the General, was temporarily buried by the Japanese troops with due ceremony in order to pay respect to one who was a lieutenant-general in the Chinese army.

Ma Chan-san's Successor Also Dead, Japanese Say

Mukden, August 19

It is now revealed that General Wu Sung-lin, who has been taking command of the anti-Manchukuo troops after the death of General Ma Chan-shan, was killed with his wife by Japanese air bombardment August 16 when he was hiding in a small village, north of Changchiaowan.

With the death of General Wu, all remnants of the anti-Manchukuo army have been completely anihilated.

Japanese Viscount Offers to Adopt Son or Daughter---for a Consideration

Prominence is given to an advertisement which appeared in Tokyo papers early this month reading, "An adooted son or daughter wanted by a certain Viscount. After financial readjustment of about Yen 50,000, the candidate is entitled to peerage. Enquiries to the Yotsuya Post Office or ring up Yotsuya 4066." The Department of Imperial Household Affairs was taken aback at this extraordinary advertisement and investigations resulted in the discovery that the peer concerned is Viscount Sukenobu Honda, who is in straitened circmstanees, and living in an upstairs room of a Harajuku drugstore. The authorities regard the action as an insult to the prestige of the peers and are likely to wait upon him with a warning.

In a press interview, Viscount Honda is quoted as denying "the truth of the report." It is intimated that a relative or friend who sympathized with the Viscount in his present circumstances inserted the advertisement without his knowledge.

Tibetans Attack in South-Western Kokonor

Despatches received recently at Nanking from Sining, provincial capital of Kokonor, state that repeated attacks are being launched by the Tibetans on Yushu, south-western Kokonor, Although all their attempts have so far been frustrated due to the stubborn defense of General Ma Pu-fang's newly organized 9th Division, the situation is regarded as serious and further attacks are expected.

Reporting on the latest developments regarding the Tibet-Sikang trouble, General Liu Wen-hui, Chairman of the Szechuan Provincial Government and concurrently Defence Commissioner for the Szechuan-Sikang Border, in a telegram to the Central Government states that the combined Szechuan-Sikang troops have advanced to the eastern bank of the Chinsha Kiang (River) and that deputies have been despatched to restore peace among the inhabitants of the various districts and to institute rehabilitation measures.

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Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

IMPORTANT NOTICE

Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

Peping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

Secretary Stimson 22 Years Too Late

BY GEO. W. MISSEMER

THE recent speech delivered by Col. Henry L. Stimson in New York setting forth America's opposition to Japan's occupation of Manchuria, and the reasons therefor, has received, generally speaking, world-wide approval. However, it is to be noted that the Chinese newspapers are not very much impressed with the value of such "platform oratory," as they dub it. The great trouble with Colonel Stimson's protests, his speeches, and the stiffening American attitude generally, towards Japanese aggressions in the Far East is that it comes much too late. The real time for America to have made its voice heard was just at the conclusion of the Russo-Japanese war. America at that time had a perfectly valid treaty with the Kingdom of Korea, which was ratified by the United States Senate in January, 1883. It was signed on behalf of the United States by Commodore Shufeldt of the U. S. Navy in his capacity as special envoy of the United States to Korea. In that treaty there was a perfectly good reciprocal promise that in case either party to the treaty was being dealt with unjustly by any other Power, the other party to the treaty would exert its good offices, on being informed of the ease, to bring about an amicable arrangement. The exact words of the clause in the treaty were:

> "If other Powers deal unjustly or oppressively with either Government, the other will exert their good offices, on being informed of the case, to bring about an amicable arrangement, thus showing their friendly feelings."

Japan Guaranteed Korea's Integrity

Now let us trace the course of events starting about 1903. There was growing tension between Japan and Russia over the latter's advances into Korea. The American press never exhibited a more emotional spectacle in all its history than at this period. When one turns over the old files one sees a chorus of encomiums for the brave little Islanders and attacks of a most vicious character on the Russiars. However much the attacks on the old Tsarist Russia were justified, the praise then meted our to the little Fire-eaters of the Far East makes very "sickening" reading at this time. Eventually came that memorable night in February when Japanese destroyers entered Port Arthur, before a formal declaration of War was made, and sent most of the Russian fleet to the bottom while it was lying at anchor. The formal declaration came the following day, February 10, and the whole tenor of the declaration was Japan's anxiety about Korea. Among the phrases in the declaration were: "The integrity of Korea is a matter of constant concern to this Empire," "the separate existence of Korea is essential to the safety of our realm," and the "safety of Korea is in danger." Be it noted incidentally that it was not only in the declaration of war against Russia that Japan's solicitude for Korea was expressed. In a Protocol entered into between Korea and Japan in February, 1904, a week or two after the start of the Russo-Japanese War, the Imperial Government of Japan definitely guaranteed the independence and territorial integrity of the Korean Empire (Those are the exact words of Art. III of the Protocol.)

Japan Annexed Korea in 1910

About a year later peace came to Japan and Russia, through the good offices of President Roosevelt. America from then on quietly forgot about the treaty with Korea that promised that America would exert its good offices when Korea was unjstly dealt with, and thereby show its friendly feelings. President Roosevelt was openly sympathetic with Japan's overlordship in Korea. The eventual annexation of Korea was preceded by steps almost identical (on Japan's part) with those now being carried out in Manchuria, and when the formal declaration of annexation was made in August 22, 1910, Japan formally (a few weeks later) notified the United States of the fact and that was all there was to it. President Roosevelt had shown no opposition to Japan's operations in Korea, and his successor, President Taft, showed the same indifference. The time for America to have protested effectively and impressively would have been at the very moment when Japan showed the first signs of not being sincere about its declarations concerning the "integrity of Korea," "the separate existence of Korea," and "the safety of Korea." America had a treaty with Korea on the basis of which it would have had every right to oppose Japanese action just as strongly as it now does Japanese action in Manchuria. But America didn't take that action and as a result has ever since, diplomatically and figuratively speaking, been rolling a snowball up a hill.

To those who point out that the difference between then and now is that then there was no Kellogg Pact or Nine-Power Treaty, the writer will reply that there was no reason to suppose in 1922 when Japan signed a promise at Washington to observe the integrity of China that she was any more sincere than she was in 1904 when she signed a treaty at Seoul promising the same thing about Korea. As a matter of fact there was a good deal of "coercion"—diplomatic, it is true but none the less there—to bring Japan into the Washington conference in the first place, and with the past history of Korea in mind it may not be too much to say that Japan signed at Washington with her tongue in her cheek—determined to kick over the traces when world conditions were propitious. That step was duly taken in September, 1931, when the Japanese army entered Mukden.

Korea Held Down Ruthlessly

The suppression of Korea has been accomplished by a series of brutalities on the part of the Japanese with few equals in history, and even after all these years of oppression the spirit of Korea still lives, despite the fact that America has given the Koreans false hopes on two memorable occasions.

It is one of the ironies of history that an American President should be responsible for the creation of the League of Nations and then America should refuse to join the League so created. But that was the fate which his own country meted out to President Wilson. (Just parenthetically a fact may be mentioned here that is usually forgotten. President Wilson vetoed the prohibition legislation. It became law by being passed over his veto). However, President Wilson when he enunciated his views about the rights of self determination for the smaller and oppressed nations was taken seriously by at least one country, and that was Korea. Banking on that declaration of President Wilson's, an independence movement in Korea was once more launched in March 1919, which resulted in thousands of Koreans being killed, tens of thousands being injured, more than 9,000 Koreans being flogged by order of Japanese gendarmes, and 1,500 more being flogged by order of the Japanese courts.

There is no desire here to write a history of Korea. Merely a few points are brought out to illustrate the idea that Secretary Stimson has a very heavy load to carry in espousing the cause of China in reference to Manchuria—mainly because of American apathy in past years in reference to a similar situation in Korea.

Shanghai, August 22, 1932.

San Yue Towel Employees Get Sympathy from Labor Unions

The San Yue Towel factory, situated beyond Dixwell road, Shanghai, which was the object of attack by Japanese rowdies on the eve of the Sino-Japanese hostilities at Shanghai in January, is now the conter of a determined labor dispute. The factory was partially destroyed and has been idle ever since. Since that time the management has been paying $120 a day as food money to the 1,200 odd employees. Lately the management stopped paying this allowance, and as a result the employees squatted down on the premises and many of them became so exhausted from lack of food that they had to be taken to hospital. One of them climbed the factory chimney so as to advertise the plight they were in. In the meantime 70 odd labor unions have expressed their sympathy with these employees and have threatened to go on a geneal strike unless the San Yue employees are taken care of.

Japanese Protest Against Consular Invoices

With reference to the system of consular invoices which will come into force on September 1, the Japanese Consul at Nanking called at the Ministry of Foreign Affairs August 18 requesting that the minimum value of merchandise imported into China for which Consular invoices shall be required, should be changed from $200, as provided in the present regulations, to $500. The Japanese Consul also drew attention to the inconvenience which would attend the enforcement of the system in view of the lack of adequate Chinese consular facilities in Japan. *Kuo Min* says that the Ministry, while rejecting the request for a revision of the regulations, undertook to take steps for the provision of additional facilities for Japanese exporters to obtain prompt certification of the invoices.

Boycott May Impel Japanese Action

There were persistent rumors current during the week that the Japanese intend to strengthen their forces here in view of the continuance of the boycott movement and particularly of acts of violence and intimidation carried out by members of various Chinese patriotic associations. Persons who have studied the situation state that in case Japan in future decides to take any military action here in connection with a possible extension of the boycott movement the Japanese military and naval leaders will try to carry out their operations in such a way as not to alienate the sympathies of the Western powers. It will be remembered that when the Japanese invaded Chapei in January they claimed they did so in connection with the state of emergency which was declared that same date by the Shanghai Municipal Council and the details of this relationship have never been clearly explained. There is a possibility that in case Japan decides on action on a future occasion, instead of engaging in direct military operations the Japanese naval and military authorities may decide to intervene specifically in each case of intimidation, or bomb throwing, or whatever the incident may be, taking the attitude that as the Chinese authorities are not able to keep order, they intend to do it for them. Such action would of course eventually bring on a military conflict between the Chinese and Japanese but the Japanese probably figure that such action will not appear as ruthless in the eyes of the world as the bombing of Chapei was.

An apprentice was injured and some damage done when a bomb was tossed into a stationer's shop at 18 North Szechuen Road, Shanghai August, 22 by an unidentified Chinese thought to be a members of one of the local "bloody groups" working for the resumption of the anti-Japanese boycott. The culprit made good his escape. The proprietor of the shop informed the police that he previously had received a threatening letter bearing the chop of the secret patriotic societies now flourishing here.

Culprit in Previous Bombing Case Remanded

The hearing of the case against Yung Wei-fang, 16 year old youth charged in the First District Court with attempted murder, illegal possession of explosives and intimidation, was postponed again when the case was called August 22. Yung was once more released on bail.

Patriotic Organizations Bring Pressure on Municipal Advocates

Fourteen Chinese organizations functioning under the title of "Committee of Shanghai Various Circles to Support the Patriots," formed on August 14, are demanding the dismissal from the Chinese Bar Association of Assistant Municipal Advocates Paul Ru and K. S. Kum for their part in the prosecution of Yung Wei-fung, the youth responsible for throwing the bomb into the Mow Chang cotton cloth shop on Boulevard des Deux Republiques on August 5, as part of the boycott campaign against Japanese goods.

In addition, the association demands that the Ministry of Justice cancel the certificates of these two attorneys, and that Mr. Kum be warned by letter against a repetition of his act in opposing the release on bail of the defendant Yung. Finally, the association urges the impeachment of Mayor Wu for sanctioning the extradition of Yung to the Settlement authorities.

Official Statement Regarding Consular Invoices

The Ministry of Foreign Affairs has decided to modify, provisionally, the final clause as embodied in Article IX of the Regulations concerning Consular Invoices to the following extent:

(a) Consignees of cargo shipped during September and October and not covered by Consular Invoice must pay to the Chinese Customs the certification fee of five gold units for the issue of a set Consular Invoice by the Customs irrespective of the date of arrival.

(b). Consignees of cargo shipped during November and December and not covered by Consular Invoice must pay to the Chinese Customs ten gold units for the issue of a set of Consular Invoices by the Customs irrespective of the date of arrival.

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Upton Close Compares Living Conditions in Asia and U. S.

BY UPTON CLOSE

(In the Yenching Gazette, Peiping)

I AM glad to write these few sentences for the *Yenching Gazette* which is being edited under much the same journalistic conditions which I and my contemporaries faced twelve years ago. At that time, the world outside of China was more self-righteous, disruption was fresher and less complicated and there was perhaps more scope for individual daring. But political events in China seem always to be exciting.

These sentences will not be on Chinese politics, or the Japanese adventure on the mainland. They will be the comparison, as it has come to me so forcefully the past few days, of conditions of human economic life in my own country, America, and those on the Asian side of the Pacific.

Ma the Jade man and Liu the embroidery man are old Peiping acquaintances. "Why are your travelling students so few this year, and why have they no money to spend, with beautiful things the cheapest in history" they ask.

"America is in distress," I reply. Americans are not travelling, are buying nothing. Ten million Americans are out of work. The railways have taken off half their trains and the remainder are running almost empty. Even many of our motion picture houses are closed. Bloodshed is expected in many cities when charity relief funds give out in September."

More Beggars in N. Y. Than Here

They look at me incredulously. It is beyond their belief. They have always heard that all Americans are rich, that no one can be hungry or unclothed in America, that there are no beggars in America.

"There are many times more beggars on the streets of New York today," I tell them, "than on the streets of Peiping."

Then they know I am out of my head, and go away, but with a feeling of dread for the world hanging over them.

"Climax of Greed"

Officicals and cultured people in Japan, Ministers of the Chinese National Government, the Mayor of Hangchow, the managers of the hotels where we stay know that these things are so. But they are none the less lost in bewilderment than Ma and Liu. At least, however, they can talk with me about the climax of that amazing system of human stupidity, that system of lavish wastefulness of production and haphazardness of distribution, that climax of greed, known as capitalist individualism—lately worshipped as a god—even linked with Christianity and good citizenship.

"But," says a friend, a Chinese newspaperman, "we have had the capitalist system in China for 4,000 years; we have never quite come to the pass that America seems to have reached in 150."

And I explain that I only wish I could explain the amazing phenomenon, but perhaps the almost complete clogging of our economic veins is due to a new poison generated from the mixture of thousand-year-old individualist greed with that potent and little understood new element, machinery.

Railway Traffic 70% Down

In Japan, the head of the railways complained to me that business was 30% down. I told him that in U.S.A. railway traffic is 70% down. Japan's money has gone to half its value and the nation is unable to produce one third of the necessities of its life in food and industrial materials. It is in the most acute political, economic and diplomatic crisis of its history. Its gold reserve is practically gone, its balance of trade hopelessly unfavorable. Yet in Japan people are still riding on trains, crowding the movies, jamming the department stores—which in America are today empty as mausolea.

China's greatest city has been the center of as devastating floods as history records, one fourth of it has been burned by one of this savage age's most ruthless and meaningless exhibitions of violence. Yet if any American business man from Philadelphia or Peoria should wake up on Nanking Road today he would think he was in paradise. Shanghai is about 60% nearer normal than any American city I have visited in the last three months—and I made a survey in 12 leading cities just before coming west to Pacific Asia.

A Crisis of Plenty

Japan's crisis is one of paucity—lack. China's is largely one of poverty. America's is one of plenty. One of superabundance. Of three-year-stored grain being burned, apples sunk in the river, coal piled mountain high, warehouses full of moulding shoes.—And humans scouring the garbage cans in New York, millions in bread lines, without fuel, barefoot!

In the long view, of course, America is better off. When the insanity which has the nation in its grasp passes, Americans will awake to find themselves in possession of a land which is abundantly able to provide food, clothing, shelter for every one of its people. Right now what men call "business" is worse—millions of persons are less provided for than in those lands which cannot possibly supply from their own resources the life needs of their populations.

What is this insanity that grips America? I wonder if the fluctuating value of China's monetary standard does not shed a surprising light on that question?

The insanity which has taken America today is the utter confusion of wealth with its symbol, money. We have thought ourselves fortunate to be on the gold standard—we have regarded the silver standard as one of the unfortunate conditions connected in some mysterious way with heathenism, to be gradually overcome by imitation and prayer.

But Chinese, whose money metal is itself a commodity, could never fall into the greatest perversion known to economics—the perversion which victimizes my people today. Gold is not wealth. Gold will of itself neither clothe, house nor feed. Gold is merely the exchange token for real wealth which does these things: for land, houses, steel, wood, wheat, corn. Yet in America today the latter things, and the paper which represents them, have no value.

No one will trade gold, or the paper which will claim it, for real wealth, no matter how disproportionate the amount. I have seen a bank manager vainly trying to sell an oil stock with gold reserve greater than its market quotation behind it, a stock still paying dividends in these times, to a dowager with fifty thousand dollars gold in a deposit box of his bank. She laughed at him, and most Americans to whom I have related the story say: "She was right!"

Gold Ceases to Be a Medium of Exchange

Apartment houses, farms, crops which cost hundreds of thousands of dollars are offered for a few thousand or hundred—but no one is going to allow that much "real money" to escape from his sock or vault regardless of the property given in exchange. Therefore everything loses its value, and gold, instead of being the medium for encouraging trade, becomes the medium of its complete stoppage.

In America today you may have apartment houses, lands wheat stored in elevators, but they are useless. When I left New York only one first class hotel in the city had escaped bankruptcy. Skyscrapers, apartment houses, publications—every manner of enterprise—had written off as much as nine-tenths if original cost through bankruptcy, and still were considered liabilities to the unfortunate banks that had become "saddled" with them. Tenants decline to pay rent, landlords fail to pay taxes, governments find no one to purchase at tax sales. The result is almost as general a writing off of wealth as took place in Russia: a communization of property through default instead of violent seizure!

In thousands of communities there are no longer any banks: In some, Chambers of Commerce are issuing their own currency. But in general no money changes hands. Farmers trade eggs and hams to dentists for bridgework. Dentists trade tooth filling to mechanics for repairs to their motor-cars.—Back to primitive barter! I see no hope for the awakening of my people from the great

illusion which has overwhelmed them until something cataclysmic happens to their false god, gold.

I remember when it used to be popular, in the cheap little journals of the Orient and the writings and speeches of supercilious western travellers here, to make fun of China for her famine in the face of plenty, for her unpaid school teachers, her kidnappings for ransom, her beggars, her sectionalism. Humbly now I report it we have everything in America that we ever made fun of China for having, except—thus far—the feudal warfare.

Neither Republicanism nor Democracy will save America. She is having a baptism of fire for her smugness.

Borah Says U.S. Must Expand Currency to Avoid Chaos

Currency expansion should be resorted to by the United States to avoid "chaos and disaster," Senator Willim E. Borah from Idaho declared at Washington, August 21. His argument was virtually the same as the "free coinage of silver" program of the late William Jennings Bryan.

The G.$1,000,000,000 expansion authorized under the Home Loan Bank Bill "is a start toward the honest dollar" but should be only the beginning, Senator Borah said. He declared that there could be much further expansion without endangering the nation's monetary system.

U. S. internal revenue receipts for the fiscal year ending June last were G.$1,557,000,000 compared with G.$2,428,000,000 for the previous year. This heavy decline is chiefly due to a shrinkage in income tax receipts, which only amounted to $1,056,000,000 compared with $1,860,000 for the previous year.

The magazine, *Fortune* (same publishers as *Time*,) in a comprehensive survey of the economic situation in the United States, declares that nearly 25,000,000 persons in America will be dependent upon public relief during the coming winter. According to figures gathered by its experts no less than 11,000,000 persons are now unemployed in the United States.

Japanese Trade in Manchuria Increases

A Japanese *Press Union* telegram from Dairen, Aug. 20, stated that judging from the customs figures available, the inauguration of the state of Manchukuo appears to have greatly stimulated foreign imports into Manchuria. It is said that the volume of imports into Manchukuo territory through Dairen and other places of Kwantung Leased Territory during the month of July was 40 percent greater compared with the corresponding period of last year. In addition to this gradual increase of trade, the bean market has shown a steady activity since this spring due to the rising demand for soy beans in Europe. The shipment of beans from Dairen for Europe is increasing because of the complete suspension of traffic in Northern Manchuria.

George Bronson Rea Is Firmly Devoted to Manchukuo

Prior to departing from Changchun last week for Geneva, George Bronson Rea, Manchukuo's only non-Japanese adviser, is reported by *Rengo* to have said: "I have a firm belief that the birth of Manchukuo is a historical consequence and the prosperity of that country is essential for the maintenance of peace in the Far East and the whole world. Inspired by this belief I intend to exert my efforts at Geneva to clear away all suspicion entertained by European and American countries and to deepen their cognizance on the real situation in the Orient. I am firmly determined to devote mysely entirely for the rest of my life to this object."

British Columbia Asked to Return Sacred Bell to China

Questioning the moral right of the City of Victoria to retain in its possession as a curio a sacred Chinese bell cast sometime before the year 1627 and removed from a temple at Peiho by British sailors during the Boxer Rebellion and presented to the city in 1904 by Lieut. McDonald of the British warship *Pique*, William Savage, a resident of South Carolina, has written to the city authorities suggesting that the bell be returned to China, according to a dispatch appearing in a recent issue of the Vanconver *Sun*.

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The Agrarian Problem of Japan: A Crucial Factor in Her Political Situation

BY HSIEH NAN-KWANG AND C. H. HOH

(Concluded from last week)

4. Important Points in Rural Relief

The agrarian population of Japan constitutes 52 per cent of the total population of the entire country, excluding the populations of the dependencies. Farmers engaged in rearing silkworms account for 39 per cent. According to statistics compiled in 1928, the distribution of the agrarian population is as follows:

Total number of houses engaged in agricultural pursuits	5,488,917 houses
Land-owning farmers	1,690,129 houses
Land-owning and concurrently tenant farmers	2,323,464 houses
Tenant farmers	1,475,324 houses
Silkworms rearing farmers	2,165,000 houses
Land-owners depending on leasehold of land for living	952,035 houses

According to investigations made by the Japanese Imperial Agricultural Bureau, the agrarian crisis is so serious that even the land-owning farmers have to suffer losses by working hard on their land; needless to say, the tenant farmers would find it impossible to make ends meet. Judging from this, it can readily be imagined to what an economic pressure the Japanese land-owning class, estimated over 950,000 houses, has been subjected! The reason why the yield of the lands can not balance the expenditure lies mainly in the great depreciation of value of the agricultural products. Take the raw silk for instance. During the World War, Japanese raw silk at a time reached its highest apex; one hundred catties of raw silk could be sold for $4,350. Now, for example, during the month of June last, it was worth only about $467, only one tenth of its former quotation. This tremendous depreciation of the value of silk sufficiently explains the situation why the 2,016,000 houses of silkworm rearing farmers with over 10,800,000 people can not maintain a livelihood. Japanese raw silk depends to a large extent on the American market; if America can not recover itself from the present economic depression, there is little or no hope for its immediate future, despite Japan's desperate efforts to revive its export prosperity. According to statistics in 1928, the total Japanese national production for the year was valued over Gold yen 12,000,000,000 of which, the agricultural products occupied Yen 3,236,350,000, i.e. 27 per cent of the total; the raw silk occupied Yen 550,000,000, the industrial products occupied Yen 7,377,954,000, of this latter sum over Yen 1,900,000,000 worth of products were exported to foreign countries. From this statistical statement, it can been seen that the Japanese raw silk looks to on U. S. A. as its chief customer, while her industrial products largely depend upon other overseas markets, chief among which are China and the South Seas Islands. Thus if her present diplomatic problems with China not be solved, there is no hope for the recovery of her trade. Further, if her present trade and industrial depression continues, it is impossible to enhance the value of the agricultural products. Among the various suggested measures for rural relief, two demands are insisted upon by the Japanese land owners and land-owning farmers. They are: 1. readjustment of debts and suspension of payment of interest and capital and 2. to enhance the value of agricultural products. But the poor tenant farmers demanded, in addition to the readjustment of debts, that the Government should appropriate loan funds to them to carry on their pursuits and also lend them seeds and fertilizers. In addition, the Government should also launch constructional enterprises so as to afford them opportunities of employment. The interests and demands of the land owners and land-owning farmers and those of the tenant farmers are not always consistent. So if no relief measures can be devised satisfactory to all, the situation will inevitably drive Japan to war in the Far East, in order to postpone the date of the inevitable and eventual outbreak of a socialist revolution in Japan. Thus, in the rural crisis in Japan are lurking many potential dangers of graver importance in the international situation in the world.

5. Suggested Relief Schemes:
Only a Temporary Measure

Since the agrarian crisis in Japan engaged the attention of the authorities and people, many schemes for relief have been suggested, the most important and practicable ones of which are listed below:

(A). Measures recommended by the Department of Agriculture and Forestry of Japan Government:

1. To enact laws safeguarding the interests of tenant farmers and to reduce the rentals on lands.
2. To reduce all kinds of taxes.
3. To maintain a standard price level of agricultural products.
4. To subsidize and encourage immigration abroad.
5. To make liberal the terms for low-interest loans to farmers and to make freely such loans to readjust the high-interest indebtedness of the farmers.
6. To establish a new farmer insurance system.
7. To encourage industrial banks and credit co-operative societies to make loans to farmers, but the Government should make up their losses, if there are any.
8. To order farmers to organize co-operative societies for the readjustment of their indebtedness.
9. To institute governmental control of the sale of agricultural products.
10. To fix a maximum price for fertilizers.
11. To increase customs duties of agricultural products.
12. To release public forests and public lands to farmers for development and cultivation.
13. Government should carry on large-scale reclamation works.

(B). Measures recommended by the Seiyukai Party.

1. To establish a joint organization for the readjustment of the Yen 6,000,000,000 indebtedness of the farmers.
2. To advance Yen 100,000,000 to the farmers for readjustment of the high-interest depts, but the interest on the loan should not be above 3% per annum.
3. To reduce the various burdens of the farmers.
4. Government should institute a monopoly on the sale of rice on other creals.
5. Government should undertake reclamation works or other enterprises for land development so as to provide opportunities of employment to poor farmers.
6. To institute government monopoly or control of fertilzers.
7. Governmental control of silk trade.
8. To distribute the hoarded rice in government granaries to hungry farmers.

(C). Measures recommended by the Minseto Party.

1. Readjustment of rural indebtedness:

a. To establish a Rural Indebtedness Readjustment Bureau under the control of the Government for the readjustment of rural indebtedness and to settle any disputes between the debtors and creditors.

b. Government should create a special organ to supply loan funds to poor farmers for debt readjustment and in case of insufficiency, public bonds be floated to make up the deficit.

c. Government should appropriate a limited sum of Yen 100,000,000 to subsidize the financial organs.

2. Reconstruction Enterprises.

a. To build roads throughout the country districts, improve farming lands, open canals, reclaim lands, cut routes in the forests, and repair river banks or engage in other public enterprises—thus to provide employment to the farmers.

b. The sum of funds for the above enumerated public enterprises should be limited to Yen 100,000,000. three-fourths of which should be appropriated by the Government, while the remaining one-fourth to be raised locally among the various rural districts themselves.

c. Workers on these public enterprises should be recruited from the particular rural districts in which the particular work is done.

(D). Measures recommended by the Socialist Party:

a. Immediate suspension of payment of debts, taxes

and rentals on lands by the farmers for a period of five years.

b. The Government should raise a sufficiently large amount of funds to be loaned to the farmers, but must not demand securities from them for such loans.
c. Fertilizers, seeds and farming implements should be provided and supplied by the Government and distributed free to the farmers.
d. The Government should be ready to make up losses to those engaged in aquatic pursuits, silkworms rearing and other agricultural enterprises.
e. Absolutely Oppose the landowners to take back lands from tenant farmers or to prohibit them to cultivate the lands.

The foregoing five demands were formulated and submitted by the National Farmers' Association of Japan to the Japanese Ministry of Agriculture and Forestry.

The various relief measures advanced by the Japanese leaders in all walks of life vary with one another and except those recommended by the Socialist Party, are all of an emergency character. They do not tackle the problem on its fundamentals. What measures the Japanese Imperial Diet will finally decide upon and adopt deserve particular notice, for upon the happy and satisfactory solution of this problem depends to a large extent the peace of the Far East.

Industrial Progress in Soviet Russia

(Information Supplied by Tass Agency)

The development of all classes of transport in the U.S.S.R. during the past four years has gone far ahead of the estimates of the Five Year Plan. While the Five Year Plan estimates called for a total load turnover of 1,576,000,000 tons, figures to date indicate that the turnover for the four years of the plan will exceed 1,500,000,000 tons.

According to a plan approved by the People's Commissariat of Agriculture, 42,000,000 hectares of land will be sown this coming autumn in Soviet Russia. Of this total, 29,000,000 hectares will be sown by the collective farms, over 9,000,000 hectares by individual peasants and about 3,500,000 hectares by state farms.

The participation of the civil air fleet in Soviet agriculture is being extended each year. Over 100 airplanes will participate in the forthcoming winter sowing campaign. Airplanes have been used this year to spray 360,000 hectares of land in the campaign against locusts and other field pests.

There will shortly be opened in Yaroslavl, in the central Russian region, not far from Moscow, the largest tyre-manufacturing plant in Europe. The plant will have an annual productive capacity of 6,500,000 automobile tyres of various types.

A Soviet-built autogyro of new design has completed a series of 20 experimental flights. The machine has displayed excellent qualities, attaining a maximum speed of 160 kilometers, with a taking-off run of 40 meters and a landing run of from 3 to 4 meters. The machine reached a maximum altitude of 4 kilometers. Experiments are to continue with a view to further improvements.

Pleasure Planes to Circle Over Shanghai

Pleasure air-trips over Shanghai and Hangchow will shortly be inaugurated by the China National Aviation Corporation, according to announcement made at the Ministry of Communication in Nanking August 20. The service is expected to be available to the public next week. The charges for these air-jaunts will be $15 for each person over Shanghai and environs for a trip of 25 minutes; and $32 for each person over Hangchow. Only five passengers will be taken at one time. Seventeen airplanes are due to arrive next week on the s.s. *President Jefferson* from America. They constitute the first batch of new planes ordered by the Corporation.

In regard to the proposed Shanghai-Haiphong Airway, a trial flight will take place next week. Stops will be made at Ningpo, Wenchow, Amoy, Swatow, and Canton.

Cavalry School to Be Established at Nanking

Establishment of a school for the training of cavalry has been decided upon by the Inspectorate-General of Military Training at Nanking. Colonel Chang Hung-chun has been appointed to take charge of preparations. It is understood that this step is in line with the program of the Inspectorate-General for the development of various branches of the army.

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Physical Training in China

(Editorial in the China Press, August 21, 1932)

One of the most hopeful portents of recent years is the gathering in Nanking of educational representatives from every part of the country to take part in the National Physical Education Conference.

When the Conference was opened on Wednesday the Minister of Education, Dr. Chu Chia-hua, delivered an important address in the course of which he emphasized the new realization among educationalists that the training of the body was as much their responsibility as the training of the mind.

There is an old Latin tag familiar to most people that declares that a sound mind is found in a sound body. Undoubtedly this is true, and it is not disproved by the fact that some of the world's geniuses have been men who suffered from chronic ill-health. The fact that they were geniuses enabled them to set at naught disadvantages which would have been impossible for men of normal intellect to overcome—they were merely the exceptions which give validity to a rule.

Among other notable remarks that Dr. Chu made on the occasion of the opening of the Conference was the observation that physical culture and the encouragement of athletics should be regarded from a national point of view, and that undue stress should not be laid upon the honor and prestige gained by individual athletes.

The Conference has adopted the following general principles:—

1.—To afford ample opportunities to all citizens for suitable and well-balanced physical development.

2.—Physical training to enable citizens to adapt themselves to their environment.

3.—To develop among them the spirit of co-operation.

4.—To give expression to the spirit of the race and cultivate a national habit of courage and chivalry.

5.—To develop a common enjoyment and taste for sports games, and recreation.

6.—To develop public morality with special emphasis to personal self-control.

These appear to cover the ground sufficiently. One great advantage in a country which is at present unable to spend as much in the way of education as desirable is the fact that physical training can be provided at little or no cost. With an instructor who thoroughly knows his business, a great deal can be accomplished with the minimum of paraphernalia. An open space is available practically everywhere, and great physical improvement can be obtained by half an hour's daily drill even without material of any kind.

Experience in countries where physical training, especially in the sports fields, has long been the rule has shown that invariably there has resulted moral improvement—that is to say a discipline of mind that finds some kind of expression in the injunction given to young aspirants on the playing ground, "Play for your side and not for yourself." The natural tendency of us all, unless we be born very superior persons indeed, is to think of ourselves first, and where competition prevails to seek to gain glory for ourselves. But sport, which is simply one form of personal accomplishment is only important as far as it adds to the prospects of success of the side, of the school, of the university, of the province, of, last and most important of all, the country.

At the Olympic Games just concluded in America representatives from every quarter of the globe gathered to endeavor to win laurels for their respective countries. China was represented, but in a very small way, and none of the honors of the occasion fell to her. This is a signal proof, if any were required, that more attention must be given in this country to physical education.

In bygone times foreign writers on China sought to amuse their readers by repeating the tale of a high Chinese official at Peking (as it was in those days) who was watching a game of football in which several foreign military officers and junior members of the diplomatic body were taking part. It was a fairly hot day, at the beginning of the season, and the Chinese official remarked to a foreign friend: None of these people is short of money. Why do they not hire coolies to do all this hard work for them?" The story is possibly true enough, as undoubtedly there was no recognition at all in that time in high Chinese official quarters that fitness of condition was well worthy of the attention of those who had need to do manual labor.

Quite a different sentiment has been prevailing in China for a long time past, and Chinese footballers and tennis players have qualified themselves to enter the international arena. Official sympathy and support as exemplified by the presence at the opening of the Conference at Nanking of the Minister of Education will create confidence that from this time on physical education in Chinese schools will be given the attention that it well deserves.

Close of National Physical Education Conference

The National Physical Education Conference, which had been in session at Nanking since August 16, terminated Aug. 21 when the final meeting was presided over by Dr. Chu Chia-hua, Minister of Education. Seventy-six delegates were present.

With the exception of minor textual revisions, the manifesto and the resolution for the enforcement of the physical education program comprising all decisions under this heading that have been passed during the various sessions were approved by the Conference.

In the course of his closing speech, Minister Chu dwelt upon the importance of the Conference which being the first of its kind in China, has proved of invaluable assistance to the Ministry of Education in supplying a basis upon which it may formulate its program regarding physical education. He stressed the need for co-operation. While in former times physical culture was intended to develop athletes only, the modern conception is radically different. Physical culture should be for all in order that the race, instead of the individual, may benefit from the spirit of co-operation instilled into the minds of youth through athletics.

Dr. C. T. Wang, President of the China National Amateur Athletic Federation, responded on behalf of the delegates. He urged the development of hygienic living for the people of China, scoring heavily the twin curses of gambling and opium-smoking that obtained such a strong hold on past generations. Definite efforts should be made toward realisation of the resolutions adopted. While the Government may take the initiative, the people must follow before even the simplest program could be successful, he said.

In the lengthy manifesto issued, the aims of the Conference were set forth. In physical training lay the hope for the perpetuation of the race, it declared, and, in order to popularize this phase of human activity, the Conference was convened to draft a systematic and methodical program.

The close of the Conference, it continued, means the beginning of a national movement for the development of modern physical culture. After giving a resume of the various resolutions adopted, the manifesto urged that the program should be faithfully followed in order to achieve the common aim of popularizing physical culture.

Documents of Closed Chinese Post Offices Arrive in Tientsin

Nearly two thousand bags of documents belonging to the Chinese post offices in Kirin and Heilungkiang arrived at Shanhaikwan last week in consequence of the forcible seizure of those offices by the puppet Manchukuo government. They were later transported to Tientsin and Peiping by the Peiping-Liaoning Railway. Meanwhile, the affairs of all Chinese post offices in Manchuria are being wound up.

Ancient Stone Lion Discovered in Shantung

A pair of ancient stone lions were discovered at Tsingchow (Itu), about 170 miles west of Tsingtao on the Kiaochow-Tsinan Railway, in the course of excavations by railway workers August 17. Archaeologists declare that they antedate even the Tang Dynasty which ruled China in the years between A.D. 618 and 905. Railway authorities have ordered that these valuable finds be sent to Tsingtao for safe-keeping and exhibition.

Kiangsu Schools to Receive Subsidy

A sum of $30,000 is to be appropriated by the Provincial Department of Finance for Kiangsu as subsidy to assist the schools, in the various war-affected districts near Shanghai. A decision to said effect was reached at a meeting of the Kiangsu Provincial Government Committee at Chinkiang August 20.

Huai River Project Is Held Up For Lack of Funds

The task of finding an outlet for the Huai River has been delayed by the lack of efficient hands and adequate finance, according to information received recently from the chief engineer's office of the Huai River Commission, of which General Chiang Kai-shek, chairman of the Military Affairs Commission, is the president. The engineering bureau has been moved from Chen Kai Kong to Huai Ying, Kiangsu, in accordance with the order of General Chiang, who has been making effort to expedite work on the project.

The Huai River is unique in that it originates the Anhui province and ends without a mouth. The fact that it has not been provided with an outlet has made the valley a constant menace to inhabitants in that region.

The chief problem confronting the commission is to determine whether the river should find its outlet to the sea or to the Yangtsze Valley.

The Huai River construction was started last April with $200,000 and 1,000 tons of American wheat. A number of 5,000 working soldiers of the army of General Liang Kwan-ying together with another party of civilian workers have been helping in the construction work. In three months 30 miles of work has been completed.

At present the work has been carried on on a much reduced scale. During the farming season only 300 to 400 workers have been engaged in the excavation work. While the rest of the civilian workers numbering some 3,000 have returned to their farms for the harvest season a group of 5,000 soldiers of Liang's army have been mobilized to Anhui.

On account of the fact that a great number of activities of the commission have been suspended, most of the technical engineers of the commission have been working with the National Flood Relief Commission, and the Kiangpeh Grand Canal Relief Commission. However, they will resume their duties as soon as the activities of the commission have been restored to normalcy, according to the report.

It is also reported that the national government is taking steps to unify the administration of the different river commissions. At present the Huang Ho Commission and the Huai River Commission are under the national government directly, while the North China Conservancy Bureau is under the Ministry of Interior and the Yangtsze River Commission, under the Ministry of Communications.

The Huai River Commission is under the leadership of Chen Ku-fu, the vice chairman of the commission, assisted by Sheng Heh-shen, the commission secretary.

Trans-Siberian Travellers Make Connections by Boats

As a result of special arrangements made by the authorities of the Chinese Eastern Railway, about 40 trans-Siberian travellers who had been stranded at Manchuli owing to the floods were safely brought to Harbin by a special train August 18. Besides the trans-Siberian travellers more than 300 passengers arrived at Harbin from northern towns by the same train. Connection by means of boats had to be made at two different places, namely between Fulaerchi and Angangchi and between Taichingshan and Miaotaitze.

Flood Relief Surtax to Be Imposed In Manchuria

The Manchukuo and Japanese authorities are making commendable efforts for the relief of flood sufferers in North Manchuria, but at the same time it is stated they are contemplating imposition of a flood relief surtax on import goods to Manchuria. The customs income of Manchukuo last year was 26,189,500 haikwan taels. Accordingly, if a surtax of 5 per cent is imposed, a fund of 1,300,000 haikwan taels is expected to accrue.

Electrical Enterprises in Manchuria to Be Nationalized

The Manchukuo Government's plans for nationalization of all electric enterprises has been put into concrete shape of late. The plan is understood to be featured with the following points, among others: To nationalise all electric power supplies in the Manchukuo territory; to amalgamate all small electric companies into a big one under State control; to abolish small power stations in localities and to establish large-scale ones at several places in the country.

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Peiping Alarmed by Japan Legation Guard Drills

Shortly after midnight, August 19, the residents in the central part of Peiping were alarmed at the spectacle of Japanese soldiers dashing about the streets with fixed bayonets and machine guns, shouting out orders in the darkness. These operations were part of the machine gun practice which the Japanese Legation Guard conducted in the Glacis on the sides of the Legation Quarter in contiguous parts of three main thoroughfares and some smaller streets.

Prior to the manoeuvres, the Japanese military authorities notified the Bureau of Public Safety of their intention and a company of Chinese police were detailed to control the traffic during the period of manoeuvres, which lasted until five o'clock in the morning. The manoeuvres aroused much criticism, coming at this juncture as they did, and being held during the night, but the Japanese military authorities were believed to take the attitude that it was necessary to carry out the operations on the Glacis and in the streets owing to the cramped nature of the Legation Quarter.

In Japanese civilian circles it was declared that the manoeuvres had no significance but it was admitted that they probably caused some anxiety to pedestrians and occupants of adjoining houses, not all of whom could have been aware of the real nature of what was happening.

The Japanese manoeuvres decidedly disturbed the diplomatic calm of Peiping. Although the Bureau of Public Safety had been given a brief warning of the intended operations, no intimation of them was conveyed to the other Legations, who were taken by surprise along with rest of the community.

The practice has been to inform the Senior Commandant of the Legation when such operations are proposed, and while this is not obligatory, it has come to be regarded as an unwritten rule of courtesy as well as commonsense. The senior Commandant, however, on this occasion had received no word.

Men and Events

W. P. Cheung, manager of the Bank of Canton, is on a visit to Hongkong.

Karl E. Schmidt, a German globe trotter, passed through Shanghai enroute to Japan during the week.

Kenneth Dabelstein, of the Dollar Steamship Lines, has returned to Shanghai after a holiday spent in Europe and the United States.

General Chen Chi-tang, Commander of the Kwangtung Provincial Forces, has appointed Hsieh Yuan-han as Chief Administrator of southern Kiangsi.

O. S. Lieu and Hsieh Hung-chong have been elected members of the committee for the reorganization of the Shanghai Coal Merchants' Association.

Seii Nishiyama, the former Chief of the Religious Bureau of the Japanese Home Office, has been selected for appointment as Minister of Education in the Manchukuo Government.

Kempton Fitch, son of Mr. and Mrs. George A Fitch, who had been in Shanghai for the summer holidays, departed last week for the United States where he will pursue his higher education at the University of Iowa.

Douglas Fairbanks, cinema star, is expected to sail from Los Angeles next week on another trip to China. While here he will investigate picture possibilities and if he is impressed he says he will send for his staff to come to this country.

Detectives at Sydney, Australia, August 16, after weeks of intense work in the Union Bank, captured a gang of Chinese on charges of placing in circulation a large quantity of counterfeit Australian shillings, supposedly made in Hongkong.

Kanemitsu Hososeko, Chief Secretary of the dissolved proletarian Labor-Farmer Party in Japan, was arrested August 17 on the charge of being a communist sympathiser, when he was visiting his native town, Atsusa-machi in Yamaguchi Prefecture.

The American Consulate-General is seeking information concerning the present whereabouts of Vi H. Myers, who is understood to have been in Shanghai several years ago, working for the British American Tobacco Company.

Henry H. Welles has arrived from the United States, to assume the post of principal of the Shanghai American School in place of Elam J. Anderson, who has returned to America to take over the presidency of a college in Oregon.

The China Aviation Co. has been ordered by the First District Court of Shanghai to pay damages of $15,000 to the widow of Walter Wen-lung, a passenger on an amphibian plane who was killed when it struck the mast of a junk in the Whangpoo in December of last year.

A joint farewell reception for the Chinese students going abroad was given August 21, in the private garden of Mayor Wu, 464 Avenue Haig. The hosts were The World's Chinese Students' Federation, and the principal Chinese colleges, newspapers and publishing companies.

Gold supplies in the United States have increased by G.$137,000,000 since June 15, according to announcement by the Federal Reserve Board August 19. Even at the recent low level, which resulted from heavy drains from abroad, there was nearly G.$1,000,000,000 more on hand than in 1921.

Li Yun-yeh, postmaster at Shanhaikwan, tendered his resignation to the Directorate-General of Posts, following his being coerced by the Japanese military and Manchukuo police into accepting mails from Manchukuo in contravention of the Government's order for the postal blockade of the North-east.

According to statistics made public by the Chinese authorities, the Wing On No, 2 Cotton Mill, Woosung, which resumed operations after the signing of the Sino-Japanese peace agreement in May with a complement of some 3,200 hands, has increased its activities and is at present employing about 7,000 operatives. The original complement was 11,000 hands.

Itaro Ishii, newly Appointed Consul General in Shanghai, who succeeds K. Murai, is due to arrive here in the early part of next month to assume his duties, according to an announcement from the Japanese Consulate General. Mr. Suma, newly nominated first secretary to the Japanese Legation in China, who is to take charge of intelligence matters in the local office of the Japanese Legation, is expected to reach here in the middle part of next month. Secretary Suma is coming by way of Manchuria.

Who's Who in China

Gen. Cho Tzu-pei, army officer; born at Fenghwa, Chekiang 1885; tanght botany at schools in Ningpo for several years; participated in the revolution against the Manchus, 1911; built two dikes in Chekiang 1915—the Chia Ho dike at Fenghwa and the Hsiang Shan dike at Hsiangshan, Chekiang; served successively as commander of the 2nd regiment of the Defense Army Corps of Fenghwa and took part in many anti-bandit campaigns 1929; went to Kwangtung and became adviser to the Financial Bureau of Wei, Chao and Mei districts 1914; chief secretary in the Office of the Commissary-General attached to the Headquarters of the Generalissimo of the Revolutionary Army; director of the Department of Military Supplies of the 6th Division of the Revolutionary Army and concurrently chief of the Nanking office of the same Division and of the 8th Revolutionary Army, which posts he now holds.

Gen. Cho Tzu-pei
卓慈沛字雨亭

卓慈沛，字雨亭，甯波奉化人，曾教授植物學多年，宣統三年，參與革命，民國四年，在奉化建築嘉禾海塘，又在象山築象山關頭海塘，民十一，二年，任奉化保衛團第二團團長，努力剿匪，社會一時賴以安謐，十三年，赴廣東，任惠潮梅財政處顧問，十五年升任兵站總監部秘書長，十八年任第六師軍需處長，兼第六師第八軍駐京辦事處長。

Law on Organization of Courts Being Revised

A Nanking message states that Dr. Lo Wen-kan in his capacity as Minister of Justice has drafted and submitted to the Central Political Council a revision of the Law governing the Organization of Courts of Justice. The draft provides for several changes in the organizations of Chinese judicial tribunals. The modifications aim primarily at the increase of the efficiency of the judicial machinery and the elimination of delay in the trial of cases.

Stirling Fessenden to Make Trip to Honolulu and Back

Stirling Fessenden, Director-General of the Shanghai Municipal Council, who has been suffering from ill-health for some weeks, will depart on a trip to Honolulu on Sunday, August 28. After spending a few days in that port he will embark on the *Tatsuta Maru* on the return trip to Shanghai. His doctor has advised him that a prolonged sea voyage will be of benefit.

George Sokolsky as a Japanese Propagandist at Williamstown

George Sokolsky of Shanghai and New Yor,k former editor of the *Far Eastern Review* in Shanghai, proposed before the Institute of Foreign Relations at Williamstown, Mass. Aug. 22 that an alliance be formed between China and Japan for mutual development of Manchukuo. The Manchukuo area would, according to his plan, remain an autonomous province under Chinese sovereignty.

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NOTICE

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(Residing Overseas)

Dating from August 1, 1932 the subscription rate for persons residing outside of China has been reduced from G.$10 a year to G.$8 a year, including postage.

The new rate applies to subscribers residing in the United States, Canada, Europe and Russia.

The new rate, estimated in the currency of the Federated Malay States is equivalent to s. s. $15. In India, Australia and other places using English currency the rate is equivalent to £2:8:0.

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New Books of Interest in the Far East

Mr. Sokolsky Pleads for "Hands Off" Policy in Sino-Japanese Squabble

The Tinder Box of Asia, 1932: By George Sokolsky, published by Doubleday, Doran and Company, Inc. New York.

George Sokolsky needs no introduction in Shanghai. As an adventurer-politician-journalist, his name is familiar to many people in China, both Chinese and foreigners, especially the privileged readers of such English language journals as the *North China Daily News* and the *Far Eastern Review*, with both of which he was connected for a considerable time. As a particular type of man of his profession, Mr. Sokolsky belongs to that eminent group of foreign journalist adventurers who, besides "pounding" typewriters to produce "news and views" to enlighten the world, find it also extremely profitable and amusing to pry into China's politics. This group is distinguished by such notables as the late Mr. Lenox Simpson, British newspaperman who met death by assassination after a brief but eventful career as Chinese Customs Commissioner at Tientsin, Mr. Bronson Rea, Japanese hireling propagandist and editor of the *Far Eastern Review*, who has just been made the first Western advisor to the Puppet Manchukuo Government, and a number of others. Mr. Sokolsky, although he held no official positions under the Chinese Government, had however actually played an intimate part in both China's national and international politics during his sojourn in China and seemed to have profited by both. He had worked for T. V. Soong, China's Minister of Finance, but at the same time, dexterously managed to serve the interests of the Japanese. A very clever journalist indeed who knows how to fish in "troubled waters."

Mr. Sokolsky lived for over ten years in China and has written much about her and her political conditions. He is rated as one of the competent and shrewd foreign observers of the Chinese situation, who claim at times to know the "inside dope." During his stay in China, he wrote, besides articles in abundance for newspapers, a textbook on World History in the footsteps of the famous living English historian, H. G. Wells. The Tinder Box of Asia, subject of this review, is his second book on China as far as our knowledge goes.

As a whole, the book is very readable volume. It is written in clear, forceful language with lucid and running accounts of events and some brilliant personality characterization sketches. But to readers in China, the book tells little or nothing new, although he made some interesting interpretations of the happenings in China and arrived at some convincing conclusions. Divided into twelve chapters, the book was originally planned to be devoted to a study of the Manchurian Question only, but it was later expanded into a general discussion of China's present problems and her international relationships, particularly with Russia and Japan. The first nine chapters seem to be confined more or less to narration and description of events with much historial data and personal notes, but when one reaches the 11th chapter under the heading "World Peace at Stake," Mr. Sokolsky stands fully revealed as to the real purpose of his handy volume. The book has a mission to fulfill and he seems to have executed it excellently. "Give Japan a free hand in her grapple of Manchuria" is Mr. Sokolsky's stern and persistent plea. The League of Nations, primarily a European institution, should only look after the welfare of Europe and must not meddle with the affairs in the Far East, counselled Mr. Sokolsky. Mr. Stimson's efforts at peace preservation in the Far East are vain and futile. Whether recognized or not recognized by the American Government, the Japanese created puppet regime, Manchukuo, must be accepted as a *fait accompli* and must be treated so, even at the complete sacrifice of the principles of world peace and the traditional policy of the American Government in the Far East. Face and accept the facts at the present, that is, recognize Japanese conquest of China's Three Eastern Provinces by forces of arms; let all treaties, principles of peace and China and her territory and people go to the dogs! Such is the virtual although cleverly veiled plea of a man who professes love to China and her four hundred million people!

Before going into the contents of the book, a word may be not superfluous in commeting on the way in which Mr. Sokolsky strives after publicity. But for Mr. Sokolsky and his comrade and co-worker, Mr. G. Bronson Rea (who in the latest issue of his own paper, the *Far Eastern Review*, is described as the outstanding authority on Far Eastern Affairs), any one with a sense of modesty would quail before such a mass of personal propaganda as is let loose in the colorful wrap of the volume. Unquestionably, Mr. Sokolsky possesses many qualifications to write a clear account of present day China by his long residence in this country and close association with some of her political and intellectual leaders, but to say that "he is the best qualified man in the world to write a fair and dispassinate book on Manchuria" is a little short of making himself ridiculous and seems to constitute an affront to many equally competent foreign writers on the Far East who are equipped with the same or even better qualifications than those of Mr. Sokolsky. He may well claim to be the "New York Times expert on the Far East," but his pretense to be "the best qualified man in the world," would sound a little embarrasing with all deference to Mr. Sokolsky's unrivaled knowledge of my own country. His claim to fairness and dispassionateness is equally subject to doubt and discount, because one suspects that the present volume under review was written to serve an inspired purpose. This suspicion is being strengthened, as one reads over the latter portion of the book, especially the Chapters on "Manchukuo" and "World Peace at Stake."

Like a suspect afraid of being detected in his evil doings, Mr. Sokolsky hastily makes known his motive in writing the present volume in the very first page of his preface, which, he states, is simply enlightenment of the West on the East, that is, "to bring China out of the realm of mystery and into the world of economic, political and social forces." Then, immediately in the next page, he explains away any suspicion about what he advocates and ardently wishes in the book. He says:

"To some, my emphasis on the necessity for the Sino-Japanese friendship at this moment may give the impression of a bias towards Japan. Actually, I seek understanding without bias. I have lived thirteen years in China; I have married into the race. For the Chinese people I have an affection which can not even be influenced or affected by temporary considerations. To me, China will ever be my home. To it shall I return even as the homing instinct brings the birds back to the mating grounds in the Spring. It is only because I love China that I am, at times, moved to CHASTIZE her leaders.—"

What a splendid thing indeed in the world is Sino-Japanese friendship at this moment and at all times! Why should Mr. Soklosky apologize for an emphasis on such a pious purpose? How does he come to have the suspicion that his over-emphasis on this point will give the impression of a bias towards Japan in the present trouble? Does any one suspect his sincerity and fairness; why is this need of apology? Of course, Mr. Sokolsky is actually seeking understanding without bias; does he suspect that he is not doing so? It is indeed a matter of regret that Mr. Sokolsky should preface his excellent volume with such doubts and questionings about himself and his purpose in very beginning of the book. Such statements can not but pollute the innocent minds of readers and compromise his very claim to sincerity and fairness.

Mr. Sokolsky's love for China and her people is both profuse and intense. Why shouldn't he be so? He had earned his way in China and married into the race. His adventures have gained for him both a name and a comfortable living, but for his love for China, he might not be placed where he now is. Mr. Sokolsky writes so affectionately and passionately about China that I, as a Chinese, am almost moved to tears in acknowledgement of his graciousness. Few aliens have ever been so kind and so generous of affection to China throughout the history of Sino-foreign relationships. It would be ungrateful to suspect that Mr. Sokolsky's affection for China could be affected by temporary considerations, as Mr. Sokolsky suspects himself, but it may not be so impossible that it might be affected by "temporal" considerations. I suppose Mr. Sokolsky will fully agree with me that this is a commercial world and Love, Affection of whatever in that connotation, has its market price. It may, of course, fluctuate but as a natural order of things, will always go to the highest bidder. As a keen observer and astute business-

man, Mr. Sokolsky knows well how and where to best market his love in the Far East. We regret China is at present too poor and distressed to afford this luxury.

However Chinese people must not be too unappreciative of Mr. Soklosky's affection. It is of no common clay, but is indeed of unalloyed superior quality. For Mr. Sokolsky does not play the role of self claimed adopted son of China, but assumes an attitude of a self-imposed foster father. It is in such a parental role that he at times becomes so impatient with the naughty "kids" in China who happen to rise into power and, tender-hearted as Mr. Sokolsky undoubtedly is, was moved at times to "chastize her leaders."

Thanks to his insolence, Mr. Sokolsky actually talks that way! He is sincerely convinced of his own importance and is imposing such upon his readers. One can not help admiring his insolence and audacity. Mr. Sokolsky may be a good writer, but a rather poor propagandist. For instead of inducing the readers to absorb his views, he irritates the feelings of the readers at the very beginning of the book.

In the first few chapters, Mr. Sokolsky paints a very vivid picture of modern China. He describes and discusses the process of China's emergence to the new era and her struggles with the decaying systems and traditions of the past and her present resistance to world pressure, the conflict of powers and interests of peoples and ideas. To a Chinese reader, his description of the shrinkage of China's territory is of interest and significance, because the mass of Chinese people is still unaware of the fact that China's periphery has been much narrowed and reduced. China is usually referred to as a country of 4,000,000 square miles, but this huge figure includes Mongolia, Tibet and Sinkiang (Chinese Turkstan). Mongolia is, in its most important parts, affiliated with Soviet Russia; Tibet is, in fact, a British Protectorate; Manchuria is now under armed occupation of Japan. What remains to China now consists of only about 2,000,000 square miles which are again divided into "Spheres of Interest" among the various Western Powers. Chinese territory has been reduced to almost half of that a century ago and her sovereignty over the remaining areas has been much impaired and restricted by various treaties imposed upon her by the Western Powers. These startling truths should weigh heavily on the heart of every Chinese and should serve as a warning to all her nationals that if our internal dissensions continue and invite foreign aggression, this fair country will eventually be partitioned and will not be ours.

Mr. Sokolsky's character sketches of the Soong Family makes very interesting reading. His characterization is so vivid that the reader is almost brought face to face with each of these personalities.

The chapter on Manchuria, which was to have been the original theme of the book, consists only of 26 pages, including a full-page map. Although it can not be said it omits anything of importance, however the discussion of the complicated system and rivalries of the railways is not so illuminating. The author could have done better by making a list of these rivaling railways and illustrate them clearly in a map. The topic deserves much more space and detailed consideration than is given in the book. "The first Tripartite struggle" among China, Japan and Russia is both interesting and informative.

While isolated remarks may be passed on many passages in the chapters between the First and the Tenth, the main parts that invite severe criticism and show open bias are the last few chapters.

Mr. Sokolsky's account of the rise of Manchukuo is singular for its detachment and brevity. While the whole world knows it is a Japanese puppet creation, Mr. Sokolsky seems to purposely to have revolved his discussion around that impotent, pathetic figure, Henry Pu Yi, and carefully omits any mention of the circumstances leading to the formation of the puppet regime and the placing of Pu Yi in his present position. After a lengthy biographical sketch of this unfortunate man, about whom perhaps the world already knows too much, Mr. Sokolsky abruptly jumps to the positive assertion that Henry Pu Yi "wanted to become Emperor of Manchukuo" and justify his ambition by stating that "if the Revolution of 1911 robbed Henry of his right to conquered China, it could not rob him of his heritage to his own homeland, Manchuria." Does Mr. Sokolsky seriously believe that his affectionate "Henry" actually of his own accord intends or wants to return to Manchuria or become its

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Emperor. Does Mr. Sokolsky have the slightest knowledge of the glaring and indisputable fact that Pu Yi was spirited, almost kidnapped away from the Japanese Concession at Tientsin by Japanese conspirators first to some unknown region and finally to Changchun which the Japanese selected as his Capital? Mr. Sokolsky describes vividly an imaginary scene of heated argument between the self-volitioned Pu Yi and his Japanese masters over the term of Emperor and finally, the tensed atmosphere was eased by Pu Yi's prompt capitulation by assuming the title of Chin-cheng (ought to be spelt Chih-cheng), which may neither be translated "Dictator" nor "Regent," as Mr. Sokolsky translated, but "Chief Executive" in Chinese (P. 274).

Now, we come to Mr. Sokolsky's masterly exposition of "fundamental principles, of motives, of broader issues" which he groups under the horror-stricken heading "World Peace at Stake." Indeed, I must hasten to join with his well-justified apprehension that the World Peace is really at a stake. But to Mr. Sokolsky, the stake is precipitated not so much by the bellicoseness and aggressiveness of a militant Japan, but endangered by the League of Nations' interference in Far Eastern affairs and Mr. Stimson's stupid peace efforts and ignorance of realities, or more specifically, his refusal to recognize Japanese brigandage of China's Three Provinces and the existence of Manchukuo. Mr. Sokolsky's attack on the League of Nations and its small state members takes a very virulent character, while at the same time, he exalts the Japanese patience in "standing the constant badgering of European orators——."

After pointing out the utter futility and failure of the League's efforts in dealing with the Manchucian situation, Mr. Sokolsky proceeds to say: "In the Manchurian situation, the League has orated ardently and done little.—It was a compromise. The League dared not risk Japan's resignation from the League. On the other hand, it dared not assert that Japan was justified in a breach of the Covenant to enforce broken treaties.... It exists by compromises. Therefore, it has been surprising, during the conflict, that the League managed to do anything at all. It is even more surprising that the League passed through this crisis without bringing on a world war, for *only the patient and often sullen but inscrutably proud Japanese could stand the constant badgering of European orators or the smirks of the representatives of the little States*....The test of the persistence and strength of the League will not come from the mobilization of public opinion in the columns of newspapers, but only through its service in its abolition of war. The news sent to the United States from Geneva gave the impression of an organised effort to stir American public opinion to fear a war with Japan. The pillorying of nations may not necessarily succeed in shaming those nations into an acknowledgement of error. It may, as it did Japan, concentrate public opinion within the country in support of a policy of "saving face" at any cost. Whenever the League forces a nation into further warfare by stupid exercise of the agency of mobilizing public opinion, then the League is an evil and a dangerous force. Whenever the publicity of the League goads peoples on to fight each other, then the league is a manchinery for the perpetuation of war. In the Sino-Japanese conflict the League came dangerously close to becoming just that."

In China, the League is attacked for its incompetence and doing too little. In America, Mr. Sokolsky accuses it of overworking itself, presumably on China's behalf. People look at things differently; we wish only that Mr. Sokolsky's views are his own sincere convictions and not inspired by "any temporary or temporal considerations."

In a further paragraph, Mr. Sokolsky becomes more specific in his purpose and openly demands the League's non-interference with the Sino-Japanese Manchurian situation. After placing the League in a dilemma of either assuming responsibility of protecting the weak and small states or challenging imperialism of the great powers, Mr. Sokolsky states:

"Here is a proposition which can brook no subterfuges. Either the League limits itself to an assembly of nations to preserve peace, or it must undertake the management of all the danger spots of the earth, of every country which can not goven itself, or which does not live up to the ideals of the great powers. Such a stupendous task is clearly at this moment beyond the capacity of the League of Nations....The question then must arise whether the League could not serve a more useful purpose at this time by performing just such a task in Europe and leaving the danger spots in Asia to the 'interested' parties."—that is to say, to the helpless China and rapacious Japan.

Discussing the "American Policy and Manchuria," Mr. Sokolsky seems to have enjoyed the satisfaction of administering a sound thrashing to Mr. Stimson for his meddlesomeness in the Far East. Mr. Stimson is attacked on two accounts: his co-operation with the League of Nations in the Manchurian Affair and his refusal to face facts. He describes the United States participation in the League discussion by a representative as "very bad American politics." Mr. Stimson would be an excellent Secretary of State for America, if he has remained a dumb-bell and said nothing, left the League in the lurch and let China and Japan go to hell! The Nine-Power Treaty, the Kellogg-Briand Anti-War Pact, etc., are impractical and unenforcable documents and should be thrown over-board to face facts.

Mr. Stimson's policy of non-recognition of the Japanese conquest of Manchuria and the existence of their puppet state Manchukuo almost makes Mr. Sokolsky furious. Read Mr. Sokolsky's his own words: "Recognition really means little....In a word, while Secretary Stimson pursued sound American policy when he insisted upon territorial and administrative integrity of China and the maintenance of the Open Door Policy, his threat of non-recognition threatens no one. And when the Assembly of the League followed his lead, it gave away its case. For if that is all that is to happen, Japan might just as well go ahead with her program. As a matter of fact Japan has not yet recognized Manchukuo herself, although she created the state, protects it by her armies, and surrounds its officials by her advisors. Soviet Russia has not recognized Manchukuo, although she has permitted that Government to assume China's share of Chinese Eastern Railway. What factual difference does recognition make to Manchukuo as long as the business of the day goes on?"

The last Chapter of the book deals with Communism in China. It is an excellent summary of that sinister but powerful movement, but does not testify to the author's intimate knowledge of the inside communist organization and the leading Communist leaders. Certainly, he names many of them, but gives little biographical data so as to make them real and vivid personalities. The author's prediction as to the future of China that if Nationalism as represented by Kuomintang fails, Communism will gain control of China or at least a considerable portion of country, is not wholly an idle one but is based upon intelligent and acute observation. For at present, the Communist Party is the only second party in China with a compact organization and a trained army which can dispute the Kuomintang's claim to supremacy in China. However, Kuomintang, weak and disorganized as it is, has not yet exhausted its vitality and may yet persist for long. Mr. Sokolsky's propheey may or may never be realised.

C. H. Hoh

READERS of *The China Weekly Review who* may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

CUSTOMS NOTIFICATION

The public is hereby notified that in accordance with Government instructions the following Regulations governing the issue of Consular Invoices will come into force in respect of goods shipped from country of provenance to China on and after 1st September, 1932:

Article I—From the date of the coming into effect of the present Regulations, all merchandise imported into China valued at or above two hundred dollars Chinese currency shall be accompanied with Consular Invoices issued by the Chinese Consulate at or near the port of embarkation, postal parcels and such goods as will be admitted duty free by the Chinese Maritime Customs being excepted.

Article II—The form of the Consular Invoice may upon application be obtained from the nearest Chinese Consulate. It shall be filled in fully, signed by the responsible merchant, and submitted to the Chinese Consul residing at or near the port of embarkation for certification.

Article III—The Consul shall verify all the items contained in the Invoice as filled in by the merchant, before certification is made. In case the Consul deems it necessary to examine the sales contract, the commercial invoice, or other documents, the merchant shall furnish the same.

Article IV—Each set of the Consular Invoice shall consist of three copies, one original in white and two duplicates in yellow. The original shall be delivered by the issuing Consulate to the merchant who shall send the same to the consignee for presentation to the Chinese Maritime Customs. One of the duplicates shall be filled in the Consulate and the other shall be forwarded to the Ministry of Foreign Affairs at the end of each month.

Article V—The fee for the certification of a set of the Consular Invoice shall be five Chinese Customs Gold Units and shall be collected at the time of certification.

Article VI—The Consul shall forward monthly to the Ministry of Foreign Affairs the fees collected together with the duplicate copies of the certified invoices.

Article VII—Merchandise sold to two or more different importing firms or carried by two or more different vessels or destined for two or more different ports, shall not be covered by the same Consular Invoice.

Article VIII—Upon the arrival of the merchandise at destination the consignees shall present the original copy of the Consular Invoice to the Chinese Maritime Customs together with other customs papers for examination.

Article IX—Merchandise not covered by a Consular Invoice shall be liable to a fine to be paid by the consignee which shall be equal to three times the fee charged for the Consular Invoice. Upon payment of such a fine the Customs shall issue a Consular Invoice instead and let pass the merchandise.

(*a*) Consignees of cargo not covered by Consular Invoice shipped from abroad on or after 1st September, 1932, and applied for during September and October, 1932, must pay to the Customs the Certification Fee of G.U. 5.00 for the issue of a Consular Invoice by the Customs.

(*b*) Consignees of cargo not covered by Consular Invoice shipped from abroad on or after 1st September, 1932, and applied for during November and December, 1932, must pay to the Customs a sum equal to twice the Certification Fee *ie.*, G. U. 10.00, for the issue of a Consular Invoice by the Customs.

(*c*) Consignees of cargo not covered by Consular Invoice shipped from abroad on or after 1st September, 1932, and applied for on or after 1st January, 1933, must pay to the Customs the fine of G.U. 15.00 as provided for in Article IX of the Regulations for the issue of a Consular Invoice by the Customs.

N.B.—The term "applied for" as used in rules (a), (b) and (c) above is to be read to mean "for importation" and "for entry into bond," but not "for transhipment," *i.e.*, the date of transhipment at a Chinese port is immaterial insofar as these Regulations are concerned.

Article X—The Customs shall at the end of each month submit to the Ministry of Foreign Affairs a list of the Consular Invoices received and issued together with a statement of the fines collected, and forward to the Customs Administration all the original copies of the Invoices received and issued together with the fines cellected.

Article XI—The Ministry of Foreign Affairs shall issue a list of the equivalants of foreign gold currencies to the Chinese Customs Gold Units, as fixed by the Chinese Maritime Customs, for the guidance of the Chinese Consulates in the collection of the Invoice fee.

Article XII—The form of the Consular Invoice shall be prepared, stamped and issued by the Ministry of Foreign Affairs to the Consulates and the Customs offices for use.

Article XIII—Any modifications of the present Regulations may be effected by the approval of the Government.

Article XIV—The present Regulations shall take effect from the first day of the ninth month of the twenty-first year of the Republic of China (September 1st, 1932).

The date of shipment of cargo from country of provenance to China is to be determined by the date of issue of the relative ocean bill of lading.

It is to be especially noted that Consular Invoices are required in addition to, and not in lieu of, the customary commercial invoices; and that the Customs are not bound to accept the particulars of value, etc., shown in Consular Invoices for purposes of duty assessment.

H. O. TONG,
Superintendent of Customs.

F. D. GODDARD,
Commissioner of Customs, Officiating.

CUSTOM HOUSE,
Shanghai, 18th August, 1932.

League Commission Members to Start for Home Next Week

Dr. Wellington Koo, the Chinese Assessor to the Lytton Commission of Inquiry and newly appointed Chinese Minister to France, returned to Peiping August 23 after a short visit to Peitaiho.

It is understood that the last part, (which forms the conclusion), of Dr. Koo's memorandum to the League Commission has been completed and forwarded to the Secretariat of the Commission.

The Report of the Lytton Commission is expected be ready in a few days. Present plans are that the members of the Commission will return to their respective countries on September 2 by two different routes.

Lord Lytton is scheduled to sail from Shanghai for Europe on September 5 by Italian steamer *Gange*.

The National Government, in a Mandate August 16 appointed Drs. W. W. Yen, Wellington Koo, and Quo Tai-chi, respectively Chinese Ministers to Washington, Paris and London, as the Chinese Delegates to the 13th session of the League of Nations Assembly in September. Chien Tai, Counsellor in the Ministry of Foreign Affairs, has been appointed an additional expert to the Chinese Delegation to the League of Nations Assembly and is departing from Shanghai shortly, to arrive at Geneva in time for the September session.

Japanese Protest Against Artificial Silk Duties

The Japanese Consul-General at Nanking last week lodged a verbal protest with the Ministry of Foreign Affairs against the increase in the import duty on artificial silk on the ground that such an increase is contrary to the principle of reciprocity embodied in the Sino-Japanese Tariff Treaty. The protest is stated by *Kuo Min* to have been refuted by the Ministry as the contention of alleged violation of the spirit of reciprocity is absolutely groundless. It is also pointed out at the Ministry of Foreign Affairs that despite the recent increases, the Chinese tariff is exceedingly low compared with those enforced in Japan or other countries. With the exception of Japan, no other Powers have taken exception to the increase in rates.

CUSTOMS NOTIFICATION

With reference to Customs Notification of 18th August, 1932, (Regulations governing the issue of Consular Invoices), the public is hereby notified that in accordance with further instructions received from the Government, the modifications (a), (b) and (c) of Article IX are cancelled, and are replaced by the following:

(a) Consignees of cargo, not covered by Consular Invoice, shipped from abroad during September and October, 1932, must pay to the Customs the Certification Fee of G.U. 5.00 for the issue of a Consular Invoice by the Customs.

(b) Consignees of cargo, not covered by Consular invoice, shipped from abroad during November and December, 1932, must pay to the Customs a sum equal to twice the Certification Fee, *i.e.* G.U. 10.00 for the issue of a Consular Invoice by the Customs.

(c) Consignees of cargo, not covered by Consular Invoice, shipped from abroad on and after January 1, 1933, must pay to the Customs the fine of G. U. 15.00, as provided in Article IX of the Regulations, for the issue of a Consular Invoice by the Customs.

H. O. Tong,
Superintendent of Customs.

F. D. Goddard,
Commissioner of Customs,
Officiating.

CUSTOM HOUSE,
Shanghai, 22th August, 1932.

ISN'T SHE LOVELY?

Skin like a peach, lips naturally red, eyes bright and clear, and a smile that tells you that she is full of good spirits. She might not confide the secret, but every woman and girl should know that internal cleanliness is the only way to genuine beauty. And for that purpose there is nothing better than Pinkettes, the favourite laxative.

Pinkettes gently banish those accumulations of waste matter that are a menace to skin beauty, the stagnation in the liver that dulls the eye, and the stomach derangement that causes sallow complexion and unhappy facial expression. If you value good looks take Pinkettes occasionally. And you'll not only look better but you'll feel brighter for this little attention to your internal needs. All chemists can supply you.

LIVER & LAXATIVE
PINKETTES
PERFECTION

Extraordinary Session of Japanese Diet Convened in Tokyo

For the first time in the history of Japan an extraordinary session of the Diet was called for the third time within one year. The session was convened in Tokyo August 22 to discuss measures to deal with the prevailing critical situation. The formation of both the House of Peers and House of Representatives having been consummated, an Imperial Ordinance was issued in an extra edition of the *Official Gazette*, ordering the opening of the Diet. The Emperor visited the House of Peers to attend the official opening ceremony which took place on August 23.

The serious business of the session commenced August 24 when speeches by the Premier on the general policy of the Government, the Foreign Minister on the diplomatic policy, and by the Finance Minister on finance matters were made.

The relief for the depressed rural population and small class merchants, the fall in the price of yen and the recognition of Manchukuo are the major topics being discussed in the present session.

The Seiyukai, the largest party in the Lower House, at a meeting of party leaders decided to fight the Ministry on economic problems, and President Suzuki's speakers specially selected, began an attack on the Saito Cabinet as soon as the debate began.

Political observers in Japan predict that the Saito Ministry, which is a coalition of the Seiyuaki and the Minseito, will carry on through the present session without it being necessary to take so drastic an action as to dissolve the Diet.

Yen 15,000,000 in Japanese War Budget to Manufacture Munitions

An appropriation of Yen 15,000,000 to cover the manufacture of munitions of war is included in the budget of the War Ministry to be introduced in the extraordinary session of the Diet along with the so-called emergency budgets of other Ministries for the relief of the agrarian and urban communities.

The additional budget of the War Ministry totals Yen 18,500,000 including in addition to this appropriation, Yen 3,280,000 for improving military arsenal equipment and Yen 220,000 for improving military airfield facilities.

Quo Tai-chi in London Says Finance Will Settle Manchurian Issue

Quo Tai-chi, the new Chinese Minister to Britain, in the course of an interview with *Reuter* said he was very surprised to find "how little England knows of the real situation in China." He declared that, in his opinion, China was gradually settling down to stability and to a period of reconstruction. He reiterated China's determination to resist the Japanese policy of aggression in Manchuria but said that China would work on the framework of the Covenant of the League of Nations and the Kellogg Pact so as to secure her territorial and administrative integrity as guaranted by the League and the Pact.

In answer to a question regarding Japan's position in the League, Mr. Quo stated that he regarded Japan's withdrawal from the League as extremely unlikely and he pointed out that anyway she would be bound by the decisions of the League for the next two years, under which no nation can withdraw. The allegation that China ran an anti-Japanese propaganda was, he said, "simply nonsense," for China's one desire was peace. In conclusion, he said that if Japan did not evacuate Manchuria, the financial situation would itself settle the question.

Yen Slumps to Less Than Half Par Value

The Yen slumped in Tokyo on August 21 to $22 1/8, a new record low. The drop is proving a serious blow to Japanese buyers and dealers in foreign goods. The drastic fall of the yen is reflected in the rise of the prices of American magazines, books and newspapers. The *Saturday Evening Post* is selling in Yokohama for Yen 1.20, whereas formerly it sold for about 30 sen. The *Japan Chronicle* in an editorial on the subject uses the heading, "The Vanishing Yen."

Floods in Harbin Leave Population Destitute

The floods in Harbin have subsided, but large areas of low-lying ground are covered with water. Pumping operations have been started, but will not be completed until the middle of next month. One of the results of the floods has been to seriously weaken the foundations of the railway bridge across the Sungari. The floods have given added impetus to the cholera epidemic and made the already impoverished condition of many Russians and Chinese much worse.

The *Review's* Harbin correspondent writes:—No less than three hundred thousand are destitute and in need of immediate assistance. In and around the outskirts of Harbin twenty thousand are living in the open, mostly in Newtown, the foreign residential part of the city, which is on a bluff above the river. The needs for immediate relief are great. There will be real famine this fall and winter unless considerable money can be had from outside sources to sustain these unfortunate people. It is true that great quanities of grain were stored along the river for shipment to Harbin, but this has been ruined. Ten thousand tons of beans in one section of Harbin alone, bagged, stacked up in great piles and covered with mats, have been ruined. Telegraphic reports can give only a meagre idea of the devastation, want and privation that now prevails.

Floods in Hupeh—Drought in Anhwei

A petition for the appropriation of $1,200,000 for urgent relief of various afflicted districts in Hupeh was received by the Executive Yuan at Nanking from the Hupeh Provincial Government Aug. 21. For the rehabilitation of the farms in various districts devastated by floods last year, the Farmers' Loan Office of the Hupeh Provincial Government has concluded an agreement with the National Flood Relief Commission for a loan of $100,000. This sum, it is understood, will be devoted solely to advances to the farmers for the purchase of cattle, agricultural implements, seeds, and fertilizers, to assist them in the rehabilitation of their farms. The loan will bear interest at 8 per cent per annum.

It is learnt that urgent messages for relief have also been received by the General Famine Relief Committee from Showhsien, northern Anhwei, where an acute situation has developed following a prolonged period of drought.

The Yellow River overflowed its banks in northern Honan near the Hopei border, August 20 and as a result Chenliu, east of Kaifeng, is now under water. According to messages received from Kaifeng, the River at that point continues to rise daily.

Almost the entire village of Hsinwutsun near Kiehsiu, south of Taiyuan, was wiped out by the recent overflow of the Fen Ho. Of the 800 families, only about eighty persons were rescued. Many districts are suffering acutely from the flood and have sent urgent messages to the Shansi Provincial Government appealing for relief.

Chinese Troops to Protect Farmers from Bandits

A recent telegram from Hankow stated that General Chiang Kai-shek had decided to appoint administrative supervisors for the provinces of Hupeh, Honan and Anhwei. The experiment will first be started in Hupeh and for this purpose the province is to be divided into 10 areas, each area to be under one administrative supervisor. A branch of the Party and Political Affairs Committee will likewise be established in each area. General Chiang has instructed the various troops to protect the farmers from banditry while they are reaping their harvests.

General Chiang Kai-shek end of last week ordered the Szechuan and Hupeh forces to join in the blockade of the Hung Hu (Lake) region and to suppress the remnant bandits on the northern and southern banks of the Han River. The Szechuan troops under General Wang Ling-chi, acting Commander of the 21st Army, are now attacking the brigands from three separate routes.

General Chiang Kai-shek has further ordered the Provincial Departments of Civil Affairs for Honan, Hupeh and Anhwei to take a census of the people and organize a militia corps so as to get at the root of the bandit evil. He has also despatched General Cheng Ju-huai, member of the Hupeh Provincial Government, to the recently recovered city of Huang-an in eastern Hupeh to undertake rehabilitation work.

Inspectors of the Hupeh Party and Political Affairs Committee are visiting various parts of the province. The

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YIEN YIEH COMMERCIAL BANK

(*Established 1914*)

AUTHORIZED CAPITAL.....	$10,000,000,00
PAID-UP CAPITAL.....	7,500,000,00
RESERVE FUNDS.....	5,094,762,72
SAVING DEPARTMENT CAPITAL	2,000,000,00

Every description of banking business transacted.
Savings accounts opened under special department.
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CHEN CHIEH, *Manager Shanghai Branch.*

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Just right for five or six servings.

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ALWAYS GOOD

$1.00

In the United States Court for China

In re.	Cause No. 3458
Last Will & Testament of JOANNA MARIA JUSTER LEE Deceased	Special Proceeding No. 789 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOANNA MARIA JUSTER-LEE deceased, to present the same with vouchers to the undersigned on or before February 27th 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China. THOMAS ALLA LEE
July 22, 1932. Executor, 64 Rue Molliere
Shanghai, China.

In the United States Court for China

In re. Estate of MORRIS HIRSHORN Deceased	Cause No. 3466 Special Proceedings No. 791 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of MORRIS HIRSHORN, deceased, to present the same with vouchers to the undersigned on or before February 27, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

DONALD E. ROBINSON
Administrator
26 Whangpoo Road,
Shanghai.

Shanghai, China.
August 22, 1932.

whole province has been divided into 10 areas to facilitate inspection.

Under instructions from General Wang Chun, Acting Field-Commander of the Right Wing Bandit-suppression forces, the 7th and 12th Divisions have crossed the Pi Ho (River) in western Anhwei from Matowchi. The 4th Division under General Hsu Ting-yao having arrived at Hokowchi is attacking the brigands at Wulungmiao and Hungchiachi. The defence lines of the Government forces in western Anhwei have been extended to the western bank of the Pi Ho (River.)

Army Commanders Executed for Retreating

One regimental commander, two battalion commanders and one other commissioned officer were executed in Hankow August 23 for having retreated during the recent operations against the Reds north and west of Hankow. The above incident is cited as an example of the very drastic measures which are being enforced to stop unauthorized retreats by Government forces in the campaign against the communists.

"God's Country" and China

(By "Cassandra" in the China Critic)

There are a few phases of political and social life in which China can hold her own with America, or would it be more polite to say, in which America can compete with China. For clowns, Mayor Walker for Chang Hsueh-liang, a Soumei for an Aimee; Al Capone for the Three Musketeers, or speak easies for opium dens, bootlegging for opium smuggling, bridge for mah jong, concubines for sweeties, racketeers for kidnappers. (China leads in the latter but with America's genius for bigger and better everything, she will no doubt excel China in this art in time) And now comes an impasse, for there is no parallel in China for lynchings or for the servant problem.

Gene H. Lamb Accused of Causing "An Insult to China"

Agitation is being raised in Chinese cultural circles in Peiping against an American scientist and his wife who are at present travelling in the north-west of China. The scientist is Gene H. Lamb, who came to China early this year on behalf of the Brooklyn Museum. The agitation is headed by the Association for the Preservation of Cultural Objects and kindred bodies in Peiping which have submitted a petition to the Ministry of Foreign Affairs and the Ministry of Education demanding that Mr. and Mrs. Lamb be ordered to leave the interior at once.

The petition alleges that Mr. "Lam-Yu-Bu," under the pretext of scientific research, succeeded in obtaining passports from the Peiping and Tientsin Garrison Headquarters. Armed with these passports, Mr. and Mrs. Lamb have secretly made their way into the north-west evidently with sinister designs; they have also sent to America "false reports" and "seditious statments" which are "an insult to China," it is alleged.

Chinese Colonel Shoots Major at Mukden Railway Station

The *Seoul Press* reports that the railway station at Mukden presented a bloody scene on August 10 at 6.20 a.m. when Colonel Chang of the Antung Garrison shot dead Major Wang, assistant officer of the headquarters of the same garrison, on alighting from a train coming from Antung. On witnessing this scene the Japanese police attempted to stop Chang who was ready to tackle Wang's followers, but,as their efforts proved in yain, they were obliged to fire; and the stray shots hit two Japanese girls, seriously injuring them. It is said both Chang and Wang had arrived there to be present at a meeting of the garrison of Manchukuo. The cause of the tragedy is thought to be due to a quarrel over personal matters.

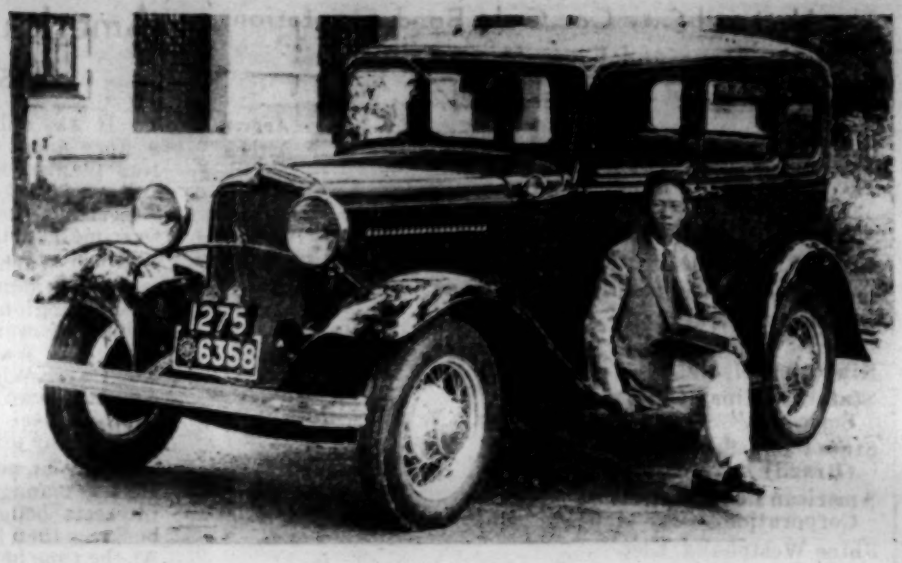
United States Leads in China's Import Trade

From U. S. Commerce Reports

The United States led all other nations in supplying China's imports during the first five months of the current year, with a volume reaching 27 per cent of the whole. Japan followed with 13 per cent; Great Britain, 10 per cent; and Hong Kong, 6 per cent. Compared with trade a year previous, however, China's imports during the 5-month period, computed in gold values, declined 56 per cent, and exports decreased by 7 per cent.

Advertising Expert Chooses Ford

The picture herewith shows C. P. Ling, proprietor and general manager of the China Commercial Advertising Agency, well-known Shanghai advertising expert and businessman, seated on the running board of his new V-8 Fordor Sedan. Mr. Ling's organization handles all Ford advertising in the China territory, and has helped in putting the Ford at the head of the list in Shanghai and in China generally, the same as it is in America. Several years ago there were more Buicks than Fords in Shanghai, but the Buick has long since been outdistanced. The Ford is particularly strong in the taxi and truck branches of the local auto trade.



Latest New York Stock Exchange Quotations

Market:—Firm Business Done 4,600,000 Shares

Aug. 24, 1932

1931-1932 High	1931-1932 Low	Div.$ per Sh.	STOCKS	Mon. Aug. 23	Tues. Aug. 24
7⅛	1⅝	—	Adams Express	7⅛	6⅞
87½	42½	•6.00	Allied Chemical & Dye	82	83¼
13⅝	4	—	Allis Chalmers	11¾	11⅝
73⅞	29⅝	•4.00	American Can	56⅝	56¾
10½	2	—	Amer. & Foreign Power	10½	10⅜
6½	1⅛	—	Amer. & For. Power W.	6½	6½
19⅝	5¼	—	American Smelting	18½	19⅜
137⅜	70¼	9.00	American Tel. & Tel.	115⅞	115⅝
86¾	44	•5.00	American Tobacco "B"	82	80½
34⅛	11	2.00	American Waterworks	28	28
12⅝	3	—	Anaconda Copper	9½	10⅛
151¾	28¾	•4.00	Auburn Automobiles	69	67¾
21⅜	3¾	—	Baltimore & Ohio	15⅜	15⅝
24⅜	7¼	—	Bethlehem Steel	20	19¾
43⅛	20	•2.00	Borden Company	30	31¼
12⅝	3⅜	—	Borg Warner	9⅞	10½
20⅝	7¼	—	Canadian Pacific Railway	16⅞	16⅜
60	16¾	—	Case, J. I.	56⅝	57⅞
41	19	2.00	Chase Bank	40	40⅛
20⅝	4⅞	2.00	Chesapeake Corp.	18	18½
15¾	5	1.00	Chrysler	14¾	14¾
6⅞	1¼	—	Cities Service Co.	5⅜	5⅜
16⅛	4¼	1.00	Columbia Gas & Electric	15⅝	16¼
4⅞	1⅝	.30	Commonwealth & Southern	4⅛	4⅛
15/16	1/16	—	" " warr.	15/16	⅞
68¾	31½	4.00	Consolidated Gas. of N.Y.	60¾	60¾
7⅝	3⅜	—	Continental Oil	7	7⅝
47⅜	24¾	•3.00	Corn Products	44½	46¾
2¾	⅞	—	Curtiss Wright Co.	2⅜	2⅜
57	23	4.00	Drug Incorporated	42¾	46¼
59¾	22⅛	2.00	Du Pont de Nemours	38¼	39⅞
87⅞	35¼	3.00	Eastman Kodak	54¼	54
32⅝	5	6% S	Electric Bond & Share	25⅝	26½
15⅜	2¾	—	Electric Power & Light	11⅛	11
5⅝	1	—	Fox Film "A"	4¾	4¾
26⅛	8½	.40	General Electric	19	19⅞
40½	19⅝	2.00	General Foods	29	30
24⅝	7⅝	1.00	General Motors	14⅞	15⅜
28⅝	6⅛	1.00	General Railway Signal	16½	17¼
24¼	10⅜	1.00	Gillette Safety Razor	21	20¼
19⅝	8¼	1.60	Gold Dust	17⅜	18½
7	2¼	—	Goodrich Rubber	7	7⅛
18⅞	5½	—	Goodyear Tire & Rubber	18⅝	19½
18¾	3⅝	—	International Cement	11½	11½
1⅞	½	—	International Combu. Eng.	1⅜	1⅜
32⅝	10⅜	1.80	International Harvester	30	32¾
9¼	3½	—	International Nickel	8⅝	9¼
12¼	2⅜	—	International Tel. & Tel.	11⅞	11⅝
27	10	—	Johns Manville	26½	26
13	4⅞	—	Kennecott	11¼	12½
9⅛	1/32	—	Kreuger & Toll	¼	¼
61¾	32⅛	•4.00	Liggett & Myers, "B"	59	59
34	13¼	•3.00	Loew's: Inc.	31½	32⅝
17¼	9	1.20	Lorillard P. Co. (com.)	17¼	17
7	1½	—	Ludlum Steel	7	7
12⅛	3½	—	Montgomery Ward	11½	11⅝
54¼	23¾	2.00	National City Bk. bid price	49	49¼
6⅝	2½	—	Nevada Copper	5⅜	6⅛
36⅝	8¾	—	New York Central	28⅜	27¾
40	13¾	10%S	North American Co.	31½	34
37	16⅞	2.00	Pacific Gas & Electric	30⅞	31
5¼	1½	—	Packard Motors	4	4⅛
11½	1½	—	Paramount—Publix. Corp.	6⅞	7⅜
23⅜	6½	—	Pennsylvania Railroad	17⅞	18½
3¾	1	—	Pennroad Corporation	2¾	2⅞
7¾	2	—	Phillips Petroleum	6⅞	7½
60	28	3.20	Public Service of N. Jersey	50⅜	51
10⅝	2½	—	Radio Corporation	9½	9⅛
7	1½	—	Radio-Keith Orpheum	5½	5¾
45⅝	26½	3.00	Reynolds Tobacco "B"	34⅝	35¾
37⅜	9⅞	—	Sears Roebuck	22	22½
6⅞	2½	—	Shell Union	6¾	6¾
10½	3	—	Simmons Company	9¾	10½
11¾	5¼	.80	Socony-Vacuum Corp.	10⅞	11¾
32¾	15¾	2.00	SouthernCaliforniaEdison.	28	29
34¼	7⅝	2.00	Standard Gas & Electric	23¾	24
35¾	19⅞	•1.00	Standard Oil of N. Jersey	34¾	35⅝
16¾	9¼	1.00	Texas Corporation	16⅛	16¾
26¾	12	2.00	Texas Gulf Sulphur	22½	23⅛
6	2⅛	—	Trans America	5⅞	6
36⅞	15½	1.20	Union Carbide & Carbon	27	26¾
94½	27⅝	6.00	Union Pacific Railway	78¾	79¾
18⅜	6½	—	United Aircraft & Trans.	18⅜	18¾
11¼	3½	.40	United Corporation	11¼	10⅞
21¾	9¼	1.20	United Gas Improvement	19½	19⅞
5½	1¼	—	U.S. Rubber	5⅛	5⅝
52⅝	21¼	—	U.S. Steel	44¾	45
18⅞	5¼	—	Vanadium	17¾	17⅝
4⅜	½	—	Warner Bros. Pictures	3½	3⅞
39⅞	15⅞	—	Westinghouse E. & M.	39⅝	39
45⅝	22	2.40	Woolworth	37	38
			Call Money	2%	2%

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The National City Co. Gold Bond Quotations Received From Head Office

Aug. 18, 1932,

SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York	Stock	461/2	—
Argentine Government	6 % May 1, 1960	43 3/4	—
U. S. of Brazil	6 1/2 % Oct. 15, 1957	19	—
Republic of Finland ..	6 1/2 % Sep. 1, 1956	59	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	44 1/2	—
Kingdom of Italy	7 % Dec. 1, 1951	92 1/2	7.75
State of Minas Geraes Series "A"	6 1/2 % Sep. 1, 1959	10 1/2	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	53 3/4	—
American I.G. Chemical Corporation..	5 1/2 % May 1, 1949	80 1/2	7.56
Rhine Westphalia Electric Power Corp. ..	6 % Apr. 1, 1955	43 3/4	—
QUOTATIONS RECEIVED FROM LONDON OFFICE			
Republic of China Gold Loan	5 % 1925	61	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 % 1913/60	64 1/2	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	62 1/2	—
Chinese Government (Crisp Loan)	5 % 1912	40 1/4	—
Shanghai-NankingRailway..	5 % 1904/08	32	—
Shanghai - Hangchow-Ningpo Railway ..	5 % 1908/58	61	—
Hukuang Railway.. ..	5 % 1911/1951	20	—
Tientsin-PukowRailway	5 % 1908/09	25	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai, Aug. 23, 1932

Demand selling rate on America:	U.S. $1.00=Sh. $4.7268
Demand buying rate on America:	U.S. $1.00=Sh. $4.6242
Demand selling rate on London:	£1.0.0=Sh. $16.368
Demand buying rate on London:	£1.0.0=Sh. $15.992

September 18, Anniversary of Mukden Incident, to Be Made Gala Day

Preparations are under way by the Manchukuo Government authorities and the Japanese military authorities in Manchuria to celebrate September 18, the day on which the Manchurian incident broke out last year, leading to the establishment of Manchukuo.

The Tokyo Jiji and Kokumin allot respectively four and five columns to the report that the Japanese Government has decided to give de jure recognition to Manchukuo on September 18. Both papers definitely state this date while other sources qualify it.

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American Tung Oil Comes of Age, Asks Tariff Protection

It was only a few years ago that *The Review* printed a story about the first grove of Chinese tung oil trees that was planted in the United States. The following article from the June 6 issue of *Time Magazine* tells how the new American tung oil industry has reached sufficient maturity to request tariff protection from Congress:

"To Washington, D. C. go the lobbyists of old and powerful industries wanting Government protection. And to Washington go the enthusiastic sponsors of new, hopeful industries wanting Government protection and encouragement. In Washington last week was such a sponsor. He was Harry Wiggin Bennett, 66, president of the two-month-old American Tung Growers' Association (32 members) whose groves of tung trees represent 90% of the 25,000 acres so far planted in the U. S.

"Foods, not tung oil, were Mr. Bennett's first interest. He was manager of Woolson Spice Co. when the Havemeyer interests bought it in 1899. He went into the brokerage business then in 1907 organized F. H. Bennett Biscuit Co. At the time he had not heard of a tung tree, nor of the rich oil its walnut-like nuts yield. But in 1905 seeds for the first tung tree in the U. S. had been brought from Hankow and planted in the Department of Agriculture's experimental farm at Chico, Calif. In 1907 seeds were also planted in Florida.

"In 1927, F. H. Bennett Biscuit Co. was changed to Wheatsworth Inc.; two years ago it was sold to National Biscuit Co. for $5,300,000 in N. B. stock. A prime advertising stunt of Mr. Bennett's was the Wheatsworth "Gingerbread Castle" at Hamburg, N. J., designed by Joseph Urban after the opera *Hansel & Gretel*, visited by 500,000 people yearly.

"Wh le Mr. Bennett was making his "bone-shaped" dog food and Wheatsworth's whole-wheat crackers, the tung trees in Florida grew tall, bore fruit. A group of important paint and varnish makers, in whose business the oil is a main raw material and whose purchases of it from China are a large part of the $15,000,000 worth imported by the U. S., grew interested. In 1924 they formed American Tung Oil Corp. to start a 225-acre grove. Sherwin-Williams, Valspar, du Pont, Devoe and Raynolds, Pratt and Lambert and Benjamin Moore & Co. were among the experimenters. Then Benjamin Moore started a 1,900-acre grove of its own, set up an oil-extraction mill in Gainesville, 77 mi. southwest of Jacksonville.

"Mr. Bennett heard of these developments while spending his winters in Florida (he summers at Walpole, N. H., where he has 20 riding horses). In 1929 he was in China, saw tung trees, decided to enter the business himself. He now has 2,000 acres planted near Gainesville.

"Tung trees produce some nuts in their third year but usually it is the fourth to sixth before the crop is satisfactory and the tenth before they are in full bearing. Taken care of, the life of a tree should be about 50 years. The flowering season is in April. In November the first frosts knock the nuts to the ground where they are allowed to dry for about a month before they are milled. After the oil is extracted the cake can be used for insecticide and fertilizer.

"Tung oil (also called "wood oil") is used, in addition to paints and varnishes, for insulation and for waterproofing. The U. S. oil is selling at about 10 per cent lb. against 6 for imported oil. The imported oil is of inferior quality, generally adulterated with soy bean oil. Two years ago the price of imported oil was 14-15 cents. There are only 3,500 acres in the U. S. in production now. When the 25,000 acres now planted are in full bearing they should yield 50,000,000 lb. against normal imports of twice that much.

"China has used tung oil for centuries in her lacquer, to finish paper, to calk ships. The glossy appearance of Chinese junks is given by tung oil, applied raw. China consumes 40% of its tung oil production. Hankow is the biggest tung oil port and the Hankow quotations are read by paint men throughout the world. Its industry boomed in the 1920's parallel with the U. S. building boom. The producing area for the Hankow supply is up the Yangtsze River beyond the famed gorges in Szechwan Province next to Tibet. The big city in the area is Wanhsien. Opium and rice are the district's two other products. The nuts are gathered by coolie labor and the oil extracted in crude wooden presses made of hollowed logs. It is carried to Hankow in paper containers holding 30-gallons, hooped with bamboo. It is purified in Hankow, barged to Shanghai and shipped in tank steamers. The big U. S. port of entry is Seattle."

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